



DIFFERENCES IN THE CONSUMPTION OF CONFECTIONERY PRODUCTS IN RUSSIA, ENGLAND AND FINLAND FROM THE PERSPECTIVE OF MARKETING MIX

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Research proposal

TOPIC

- Does confectionary consumption differ depending on nationality?
- Countries taken: England (West Midlands), Finland (Helsinki), Russia (Karelia)
- Definitions: Product, Price, Promotion, Placement, and Standardisation.

RESEARCH RATIONALE

- Due to the fact that the world becomes more homogeneous and there are more companies, which go international, therefore the issue of standardisation is taken into the serious consideration. There is literature that covers some aspects of the chosen topic; anyhow there is no key literature, which illustrates how nationalities influence people's habit. Personal experience will allow the author to present a research, which would be based in three countries, to compare if there is any difference of confectionary consumption.
- The particular problem of my research is the lack of secondary data, which illustrates the attitude of particular nationality towards confectionary products, as it would be interesting to know how tastes were changing during times, and what had a biggest impact on that (history, culture, or geographical position).

- The research will study all the marketing mix factors in chosen countries to discover if these forces are different in terms of confectionary industry.

RESEARCH QUESTION

What confectionary products are more preferable in the chosen countries?
Where do people shop for confectionary products? What the changes in price which have and impact on people's behaviour, when buying confectionary products? How do promotional factors manipulate people's behaviour?

THEORY

- Consumer behaviour module is the basis for my research as the act of consumption is seen as practice of buying, understanding and controlling. The increase of mythology in this topic is the result of understanding of this process; as for every act there is a reason behind it rational or irrational.

RESEARCH OBJECTIVES

The main objectives of this study would be:

- To incite further interest in this topic
- To come to the solution of the topic question
- To find the explanation for further result basing on the secondary data
- To emphasize the importance of data for food industry

RESEARCH VALUE

The research results and topic itself could be interesting for people operating in the food industry. This knowledge could persuade people to make a further research on other countries and form the statistics, which can help entrepreneurs and investors pick the right country to operate in.

METHODOLOGY

The research would be mainly based on quantitative approach, as the results of it are going to rely on the particular people responses. The questionnaire would be a method of gathering information for this work. The qualitative research was taken as a start, by using secondary data, and would be finishing this research to give an explanation of the answers.

- **SAMPLE:** The questionnaire would be orientated on 3 sampling areas: Petrozavodsk (Karelia), Helsinki (Finland) and West Midlands (United Kingdom). The questionnaire would be translated into 2 languages and might have 7-8 % margin error.
- The research would follow particular ethical issues, to face the individual rights.
- To make the research accurate the research will be avoiding non sampling errors. The survey would be written in easy language to make sure that everyone understands the topic.

- The research would be made in 3 months, which is an academic semester. The University of Wolverhampton library, Internet facilities and volunteer involvement would be used during the period of this study.

PROPOSED STRUCTURE / CHAPTERS OF THE DISSERTATION

Chapter 1: Introduction
Chapter 2: Literature Review
Chapter 3: Methodology Literature Review
Chapter 4: Research findings and critical analysis
Chapter 5: Explanation
Chapter 5: Conclusion
Bibliography
Appendices

PROPOSED TIMETABLE FOR THE RESEARCH

04.02 – Research proposal submission
28.02 – Filled questionnaires
30.03 – Mythology, Explanation, Literature review
30.04 – Introduction, Conclusion, Appendices, Bibliography
10.05 – FINAL SUBMISSION DEADLINE

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The feedback given by her, gave the author an opportunity to better understand the subject of the study, perform a successful primary and secondary research and present a structured piece of work.

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Contents

Research proposal	3
Acknowledgments	7
Contents.....	8
Table of Figures	10
Abstract.....	11
Introduction	12
Background of the study	14
1.1 PRODUCT AND MARKET	15
1.2 PRICE.....	15
1.3 PROMOTION	16
1.4 PLACE.....	16
2.1. COUNTRIES OVERVIEW	17
2.2. RUSSIA.....	17
2.3. ADVERTISING IN RUSSIA	18
2.4. ENGLAND AS PART OF UK	19
2.7. ADVERTISING IN FINLAND	21
Conceptual Framework	23
Methodology	26
Results and Findings	30
Discussions and Recommendations	51
Conclusions	63
Limitations.....	64
Material for further research.....	65
Bibliography	66
YOUTUBE VIDEOS:	74
Appendices.....	76

Table Of Appendices

APPENDIX: 1.1	RUSSIAN PROFILE	76
APPENDIX 1.2:	DEMOGRAPHY SITUATION IN RUSSIA.....	77
APPENDIX 1.3:	DISPOSAL INCOME IN RUSSIA	78
APPENDIX 1.4:	ADVERTISING SPENDING IN RUSSIA	80
APPENDIX 1.5:	LIFE STYLE INDICATOR IN RUSSIA	80
APPENDIX 1.6:	MAJOR CONFECTIONARY BRANDS IN RUSSIA.....	81
APPENDIX 1.7:	LOCATION OF THE STORES IN RUSSIA	81
APPENDIX 2.1:	FINLAND PROFILE.....	82
APPENDIX 2.2:	DEMOGRAPHY SITUATION IN FINLAND	83
APPENDIX 2.3:	DISPOSAL INCOME IN FINLAND	84
APPENDIX 2.4:	ADVERTISING SPENDING IN FINLAND	85
APPENDIX 2.5:	LIFE STYLE INDICATOR IN FINLAND	86
APPENDIX 2.6:	MAJOR CONFECTIONARY BRANDS IN FINLAND	86
APPENDIX 2.7:	LOCATION OF THE STORES IN FINLAND	87
APPENDIX 3.1:	ENGLISH PROFILE.....	87
APPENDIX 3.2:	DEMOGRAPHY SITUATION IN UK	88
APPENDIX 3.3:	DISPOSAL INCOME IN UK.....	89
APPENDIX 3.4:	LIFE STYLE INDICATORS IN UK	90
APPENDIX 3.5:	ADVERTISING REVENUE IN UK	90
APPENDIX 3.6:	MAJOR CONFECTIONARY BRANDS IN UK.....	91
APPENDIX 3.7:	LOCATION OF SHOPS IN ENGLAND	91

Table of Figures

Figure 1- Willingness to try a new product.....	32
Figure 2 - The periodicity of CP consumption in Finland	34
Figure 3 - The periodicity of CP consumption in England.....	34
Figure 4 - The periodicity of CP consumption in Russia	34
Figure 5 - Brand importance in Finland.....	36
Figure 6 - Brand importance in England	36
Figure 7 - Brand importance in Russia.....	37
Figure 8 - Reaction on 3 for 2 promotion of CP	37
Figure 9 - Consumer reaction when the price for the CP is high	39
Figure 10 - Consumer reaction when the price for the CP is low.....	40
Figure 11 - The most popular locations for purchasing CP	42
Figure 12 - The most unpopular locations for purchasing CP.....	43
Figure 13 - Actions if there is no CP in the usual place	44
Figure 14 - Readiness to purchase CP online	45
Figure 15 - Participation in sampling of CP	46
Figure 16 - Most popular promotional channels of CP.....	47
Figure 17 - Reaction to irritating advertising of CP.....	48
Figure 18 - Reaction to enjoyable advertising of CP	50
Figure 19 - Decrease in Russian population	77
Figure 20 - Population pyramid of Russia, 2009.....	78
Figure 21 - Retail sales and disposable income growth in 2002-2007	79
Figure 22 - Life style indicators in Russia 2006-2010	80
Figure 23 - Change in Finnish demography	83
Figure 24 - The population pyramid of Finland in 2010.....	84
Figure 25 - Advertising spending in Finland in 2000	85
Figure 26 - Life style indicators in Finland 2006-2010	86
Figure 27 - Demography of UK 2004-2007.....	88
Figure 28 - Population pyramid of UK 2009	89
Figure 29 - Life style indicators in UK 2006-2010	90
Figure 30 - Advertising revenue in UK in 2009.....	90

Abstract

This study researched the consumption of the confectionary products from the perspective of Marketing Mix, by investigating the cross-cultural responses from Finland, England and Russia. It tested the differences and resemblances in the consumer behaviour in three different countries, which relied on the primary and secondary data. The results showed the characteristics of non-dynamic standardisation of the marketing mix in each of the country. The study illustrated more dissimilar than similar situation in the confectionary industry in Finland, England and Russia, which has a great influence on the consumption behaviour.

Introduction

It seems that nowadays the world is becoming more and more homogeneous (Levitt, 1983). However every country has a unique and complex profile, which is influenced by numerous factors as geographical position, culture, historical events, religion or economics of a country. These factors have a huge impact on a product or service demand in one or another country and become fundamental issues of International Marketing Strategy.

This research compares the consumption of confectionary products in Finland, England and Russia from the point of view of marketing mix (Product, Price, Promotion, Placement). This topic was chosen due to its international nature, as the number of entrepreneurs and companies' "going international" increases intensively. That is why the results of the research could be helpful and motivating for people operating in food industry and planning to go abroad to expand their businesses. This study could persuade individuals to conduct further research in other countries and form the statistics, which can help entrepreneurs and investors to choose the right country to operate in. It will also assist to identify the similarities and differences in segment demand, which is a crucial factor for internalisation as companies can save the expenditure of cost, time and effort on product modification to answer the local demand (Ghauri & Cateora, 2005, p.22).

Globalisation is the opportunity to enlarge, although it is very important to take local needs into the serious consideration (Doole & Lowe, 2004, p. 179). This topic of the research is new; as there is no key literature the author could rely on concerning the consumption of confectionary products all in all in the named countries. That is why the study results will benefit in expanding the countries profiles in terms of International Marketing Strategy. This marketing research gives an opportunity to understand more current as well as potential customers.

The choice of the countries was based on the author's personal living experience, which gave her an opportunity to recognise the difference in consumer behaviour towards the confectionary product in England, Russia and Finland.

Background of the study

Almost every product in developed and developing countries has a competition coming from abroad and that is how different markets become more expanded in international participation, in other words - global. Companies and investors are looking for different channels to go international and the most successful ones have very thought though integrated strategies with multinational approach. The first questions the companies face when expanding abroad are: how much of product adaptation they need to go through, what foreigners want to have and what their attitude is towards a particular product or service (Yip, 1989, Buzzell & Quelch, 1995, p.31).

There are many reasons for companies to go global, some of them are: the possibility to improve the quality of product or programmes, the alternative to enhance consumer's preference or the ability to increase competitive advantage (Buzzell & Quelch, 1995, p.36, Levitt, 1983). One of the main benefits, which companies try to achieve, is cost reduction via product standardisation. The researchers around the world are more focused on product and advertising standardisation (Kustin, 2004), although closer each 'P' of the marketing mix is to the standard, - more benefits of internalisation a company gains.

1.1 PRODUCT AND MARKET

In the past decades, business in Europe is accelerated with globalisation. In many ways countries, which are members of European Union, are seen as one single market. That is why many products that are launched into European market are homogeneous. Clothing, durables or industrial goods are looking very similar, although there are goods that cannot be influenced by standardisation, due to the local tastes (Jobber & Fahy, 2009, p.39, Quester & Conduit, 1996). Food products are one example of these kinds of goods, which are not considered to be heterogeneous. For instance, people in Central and Northern Europe prefer natural and healthy food; whilst in the South of Europe the consumption of these kinds of goods is lower (Siror, Karpolna & Lugasi, 2008). Russian market is vital for the Eastern Europe due to the population of the country. That is why Russia is often seen as a solitary area to operate (Welch & Ciner, 2004, Jacob, 2006). Food market there is estimated to be 57 million US\$ in the year 2004, and it is expanding approximately in 20% annually (Siror, Karpolna & Lugasi, 2008).

1.2 PRICE

Companies that operate internationally pay a serious attention on pricing. They deal with the price escalation, where they have to take into the consideration the additional cost of shipping, transporting costs, tariffs, taxes, average income, the price of local competitors est. Price is one element of the marketing mix which will be the hardest to standardise (Jobber & Fahy, 2009, p.202-203). It makes it easier when talking about Europe, where the currency

almost everywhere is the same. Anyhow the UK and Russia have their own money; therefore inflations should also be seriously considered (Usunier & Lee, 2005, p.163-164).

1.3 PROMOTION

When talking about the standardisation of advertising and promotion, it is usually seen that the main message that should be delivered to a consumer is the same, although the creative expression is usually changed to answer the local demands by subsidiary force (Quester & Conduit, 1996). Anyhow, even main messages should be sometimes modified due to the cardinal different preferences of the consumers in different regions. For example, when DOVE was promoting a new product in Russia using ordinary women, their main message was reflecting the fact that this product will be suitable for every one. They did not take into the consideration the demand and preferences of population, which are described in 1.4. Advertising in Russia, therefore, their commercial was not so successful (Euromonitor, 2010).

1.4 PLACE

Countries that have variable market conditions usually operate with different distribution channels. Countries of European Union, for example, have more standardise ways of distribution (Quester & Conduit, 1996). Moreover, Appendices 1.7, 2.7, 3.7 describe the differences and similarities in the shop locations in Russia, England and Finland. The biggest resemblance is

characterised for the super markets, although the smaller shops and kiosks also have some features in common.

2.1. COUNTRIES OVERVIEW

Owing the fact that every nationality has its own character, there have been made many researches measuring what kind of consumer attitude is predominant in the particular country. Culture is a complex issue, which is influenced by history, religion, geographical position of a country etc. There is a short overview on 3 countries where the research is going to take place. Moreover a short profile of each country is represented in Appendices 1.1, 2.1, 3.1.

2.2. RUSSIA

In the year 2007, the Russian market was acknowledged to be one of the most big and perspective areas for retailers (Welch & Ciner, 2004). As USSR spirit is drifting away, the consumers in Russia willing to pay more for the good products, as they got tired of brand and quality imitation. However, it seems that despite all the economical and political changes, Russian people still have Soviet nostalgia feeling about food products. That is why the Soviet – era brands is still ongoing and gains some popularity among customers. These brands have “retro” characteristics, which are associated with communistic times (Holak, Matveev & Havlena, 2007). Appendices 1.2, 1.3, illustrate the major changes in Russian demography, disposal income and retailers activity which have a big influence on this fact.

The wealthiest people in Russia belong to the age group from 35-50. Due to increase of disposable income, Russians have an opportunity to spend more on Western brands, which were not so welcome before in the 90s, now became a sign of well-being (Euromonitor, 2010). Furthermore, it is very important to take into the consideration that Russia is regionally very unequally developed country that is why the consumer's power is different. When working in Russia, it should be remembered that every region has different demands and consumer habits (Ylä-Kojola, An. M., 2006).

2.3. ADVERTISING IN RUSSIA

Russian people try to stabilise their position in a global society. That is why people underline their material status, which is more relevant for European and American nations. Due to this reason the advertising system is directed to illustrate the wealth and quality of product or service. That is why the advertisements, which have the lack of beauty, humour or success, are not usually so victorious (Euromonitor, 2010).

A lot of money in Russia is concentrated on the TV and online advertising. (Mickiewicz, 2008, p. 31) Due to the fact, that there is a large number of people with low salaries in Russia, the image of happiness and comfort, coming from TV about different products, including confectionaries, has a fundamental influence on them (Schroeder, 2002, p.49). Moreover, online advertising expenses are huge there as Russia is included into top 10 countries with highest number of Internet users (Internetworldstats, 2009).

Appendices 1.4, 1.5 demonstrate the advertising spending In Russia and people's life style.

In the year 2000 the global confectionary market reached 12.7 billion of tonnes. Every year people consume 2.1 kg of sweet products globally and Western Europe makes up the vast majority of it, where Denmark, United Kingdom and United States are the champions in the confectionary consumption (Eurofood, 2002).

2.4. ENGLAND AS PART OF UK

UK has belonged to European Union since 1973, and it is one of the oldest members there. Appendices 3.1, 3.2, 3.3, 3.4, 3.6, 3.7 give a quick overview of the country its demography and disposal income and shows the most popular brands of confectionary products and locations of the shops. Moreover they illustrate the consumer expenditure on food, which has decreased due to the global financial crisis.

UK confectionary market spreads into mainly chocolate and sugar confectionary goods. The consumers have a positive attitude towards the sweet products and characterise them as low-cost and harmless indulgence (Researchandmarkets, 2009). That is why shelves in English shops are choked up with sweet products. Moreover the consumption of confectionary products in UK is huge, due to the fact that people spend £4.4 billion every year. The purchasing habit of consumers have changed in the past decades

as people more often buy the multi packs of sweet products for the future consumption, which increases the overall statistic of confectionary eating (Eriksson, Foeler, Whipp & Rasanen, 1996).

2.5. ADVERTISING IN UK

The most profitable advertising channels in UK are TV and Internet. Due to the fact that people in UK spend a lot of time in front of TV, TV advertising was the most successful at the late 90s and the beginning of 2000 (Kloss, 2002, p.302). In an average, British people watch TV for 15 hours in a week. Many English families have TV sets in every room of their house (Hampshire, 2005, p.178) (Appendix 3.5). Anyhow, for the past couple of years, online advertising brings more revenue to the investors, as the number of Internet users is increasing. (Appendix 3.4) Moreover, due to the vivid assortment of programmes, people get to see movie or show stars very often (Hampshire, 2005, p.178-188). That is why it becomes common nowadays to have celebrities participating in the advertisements. For example TESCO invited Spice Girls, Rubella Scales and Jane Horrocks to promote their goods (Appendix 3.5).

2.6. FINLAND

Finland became a member of European Union in 1995. The general overview of the country showed that Finland has a very strong taxation system. The more an individual earns, the higher tax he/she pays (Worldwide-tax, 2009). That is how the Finnish disposable income is balanced and spread fairly

equal. Moreover, people with low or no income get allowances from the government (Appendices 2.1, 2.2, 2.3). Due to this fact the country does not have evidently different social layers, the demand of the consumers is relatively the same: quality and naturalness. Finnish people do not eat as much confectionary products as English people, although they spend approximately the same amount of money on sweet products (Appendix 2.5). The reason for that is the higher price on the confectionary goods and their quality (Eriksson, Foeler, Whipp & Rasanen, 1996).

2.7. ADVERTISING IN FINLAND

Finnish people are very clear in what they want to see in advertisements. It should be relevant to the product, understandable and contain humour, due to the fact that advertisement is also seen as an entertainment. Moreover, according to Ingomar Kloss, 2000, p.64, Finnish people do not like violence, nakedness or sexual issues rising in advertisement. Anyhow, there are many examples of TV commercials, which include the mentioned above issues (Appendix 2.4). Moreover, Finns prefer their commercials to be in Finnish language. Even though English language is more and more accepted among younger people, the older generation is very patriotic and concerned about these issues.

The most popular advertising channel in Finland is a newspaper. Finnish people who belong to the age group 12-69 spend around 40 minutes per day reading newspapers. Despite the fact that this country very technologically

orientated, and the Internet users number is increasing, the newspapers are still the most powerful advertisement resource (Kloss, 2000, p.77) (Appendix 2.4).

Conceptual Framework

The information gathered in literature review and in Appendices 1, 2, 3 serve as a foundation for further hypothesis:

Ho – There will be no difference in consumption of confectionary products in Finland, England and Russia.

This hypothesis repudiates all the facts that can have an impact on confectionary consumption in Russia, England and Finland. It relies on the theory that all sweet products are the generally same everywhere and nothing (the product itself, advertising, price or location of the shops) can influence this fact. The data received from the questionnaire will show approximately the same results, taking into the consideration the number of the participants in each country.

H1- There will be a significant difference in consumption of confectionary products in Finland, England and Russia.

The main reason to suggest this hypothesis is the different size of confectionary market in each country, different names of the dominant brands, which depend on the policy of the countries, their geographical position and therefore, main retailers. Different advertising channels will also play a fundamental role in the consumption of sweet products in England,

Russia and Finland. Moreover, the location of the shops and their nature is dissimilar in all three countries, which means the people visit them with different expectations (Appendices 1.7, 2.7, 3.7).

H2- There will be a little difference in consumption of confectionary products in Finland, England and Russia.

This hypothesis is based on the general facts; as for example the most consumed product of confectionaries is chocolate, which will be equally popular in all three countries. Furthermore, there could be no difference where do people buy sweet product and the shop location does not play an important role. After all, the reaction on the advertisement could be the same, as this response depends not only on the mentality issues, but personal attitude of an individual.

H3- There will be no difference in consumption of confectionary products in Finland and England.

These countries are the members of European Union. They are situated in Western Europe and might have the same reaction on going on marketing processes.

H4- There will be no difference in consumption of confectionary products in Finland and Russia.

Finland and Russia are bonded with long relationship of politics and historical events. Moreover, they share the same border, which is often crossed by retailers from one or the other country. There are also a big number of Russian immigrants living in Finland, adjusting to Finnish mentality. On the other hand, Russia is one of the most popular places for Finnish people to travel to. That gives a reason to suspect that people's attitude, living in these two countries, shares something in common, which could be seen in their shopping habits for the confectionary products.

H5- There will be no difference in consumption of confectionary products in England and Russia.

The reason to suggest this hypothesis is the influence of TV. Russian and English programmes content is very similar, due to this reason, it could be conjectured that the most powerful advertising channel as TV, is influencing both Russians and English in the same way.

Methodology

The research was designed to identify the main differences of the confectionary consumption process in Finland, England and Russia from the point of view of marketing mix. Both quantitative and qualitative approaches are used for this study. First of all, as the results of the work rely on the big number of people responses, the survey is the right tool to collect those (Hibbert & Liu, 1996, p. 2) and it is a good example of quantitative examine (Ruginbana & Nwankwo, 2003, p. 68, Kolb, 2008, p.195). Qualitative research is applied by combining the literature review and the results of the questionnaire to provide a comprehensive answer to the study question (Sayre, 2001, p. 4).

Design: Due to the fact that the geographical area of research is very wide, it was decided to produce an online survey to reach the segment group. The participants were asked about their personal and situational factors as shopping habits, preferences and opinions concerning the confectionary products (Gordon & McNew, 2008).

Survey: Questionnaire has 5 usual components: identification data, request for cooperation, instructions, information sought and classification data (Kinner & Taylor, 1996). Furthermore it has a particular structure (skeleton) to provide the order, to make it easier to arrange the facts and opinions together (Evans, 1995, p. 26). The request for cooperation and instructions take

couple of sentences to reduce the amount of reading. Moreover, the paper research does not need the personal data as sex, address and telephone number that is why identification data covers the detection of nationality and age only. The structure of the questionnaire is very concrete and divided into 4 sections relevant to marketing mix. The first part will concentrate on identifying what kind of confectionary products people consume in different countries and their attitude towards new goods. The second part questions how many people are willing to pay for different sweet products in various situations. The third part is produced to identify the location of where consumers shop. Finally, the last section questions what promotion channels have the most impact on the confectionary purchase. The survey is provided in the Appendix 4.

Sampling area: The questionnaire would be orientated on 3 sampling areas: Petrozavodsk (Karelia), Helsinki (Finland) and Wolverhampton (United Kingdom). The facts that those regions were easy for the author to reach, that the author is familiar with the territories and citizens habits, played a fundamental role for her to choose these areas.

Subjects: 100 Russian, 76 Finnish and 71 English users of social sites like Facebook and V Kontakte, filled the online survey. It was forwarded only to people who belong to 3 sampling areas: Petrozavodsk (Karelia), Helsinki (Finland) and Wolverhampton (United Kingdom). Picking the number of

questionnaires the author relied on personal judgment of the sample characteristics, as their shopping habits, for example (Zikmund, 1989, p. 450).

Avoiding errors: To make an accurate data and avoid nonsampling errors, questionnaires, which are not completed, are not taken into the consideration, as individuals did not take the subject seriously. To avoid these happenings the questions in the paper was produces using easy language and examples, so that people will not have any trouble with understanding those (Hibbert & Liu, 1996, p. 16, Crimp, 1985, p. 77, Baker, 2003, p. 180, Kinner & Taylor, 1996, Evans, 1995). The other aspect that is taken into the serious consideration is wording. The questions in the survey saturated, but not poorly worded (Alwin, 2007, p. 203). Moreover, the survey has a nice blue-white layout and big letters to attract the attention of the participants and to facilitate their experience.

All of the questions in the survey were designed as multiple-choice questions. That makes it possible to provide the certain answers and save time of contributors. (Kinner & Taylor, 1996). Furthermore, there are no dichotomous questions, as they do not give an alternative for the uncertain answers, which might lead to the inaccurate data. (McDaniel & Gates, 1998, p. 273, Brassington & Pettitt, 2006)

Technological aspect: Juri Oshujev, senior project manager of Vendep Oy, voluntarily provided the technological support. This support included posting

the survey online and extraction of the results in unprocessed data. This data was processed in SPSS and then sorted in EXEL by the author.

Ethical issues: This report provides the real numbers of the findings as well as percentages. Moreover from the ethical point of view, the questionnaire requires an anonymous filling, so that the personal data is not used to fulfil any other aims, but this research.

Results and Findings

1. The first question in the survey, which is attached in the Appendix 4 was relevant to the first 'P' of marketing mix – product. The multiple-choice question offered the most popular confectionary products as alternative answers. In the table below (Table 1), it is clearly illustrated that in each country the most popular confectionary product is chocolate, as it was suggested in a **H3** hypothesis. Anyhow, it is also clearly seen that there is a big difference in each country respond (**H1**). First of all, sweets and candies are highly consumed in Finland, where in the other two countries the consumption of the same product is much lower. There are also comparable results in Russia and England when talking about cookies and cakes. The consumption of ice cream in England and Russia is also approximately the same, whilst in Finland this confectionary good does not have the same popularity. It is also easy to notice that the consumption of chewing gum in European countries is higher than in Russia, moreover it is approximately the same in Finland and England. Eastern confectionary as well as marzipan is not very admired in any of these countries, although there is still a little difference, that shows that Eastern sweet products are more accepted in Russia, and marzipan has some target market in England.

What CP ¹ do you prefer?			
Products	Finland	England	Russia
Chocolate	40 %	37 %	42 %
Sweets and candies	31 %	16 %	4 %
Cookies and cakes	7 %	21 %	20 %
Ice-cream	5 %	11 %	14 %
Jelly	0 %	0 %	4 %
Chewing gum	13 %	11 %	2 %
Eastern Confectionery	4 %	0 %	7 %
Marzipan	0 %	5 %	4 %
Other	0 %	0 %	3 %

Table 1 – The most preferable CP

2. The second question "Are you more willing to try new CP rather than stick to old ones?" is also relevant to the first 'P' of marketing mix and its aim is to investigate what attitude do people in different countries have towards new comers. The diagram below shows that there is verification in the answers of sampling group in each country. First of all, it is simple to view that people do think about this question a lot, when they are in the process of buying some

¹ CP – Confectionery Product

confectionary product, as the answer "Never thought about it" has the smallest number of responses. Second of all, it is interesting to observe the high rate of willingness to try a new product. The survey results showed that Russian people are more open to the new experiments than English and Finnish, although forty-four percent of Finish questioned people and forty-seven of English, have a positive attitude towards novelties. The highest uncertainty is more characterised for Finns, although English results have a small difference from them. Additionally, all three countries showed a little interest in consuming the same product, rather than trying something new. In other words, people in Russia, Finland and England are looking forward for constant differentiation of the product or substitution.

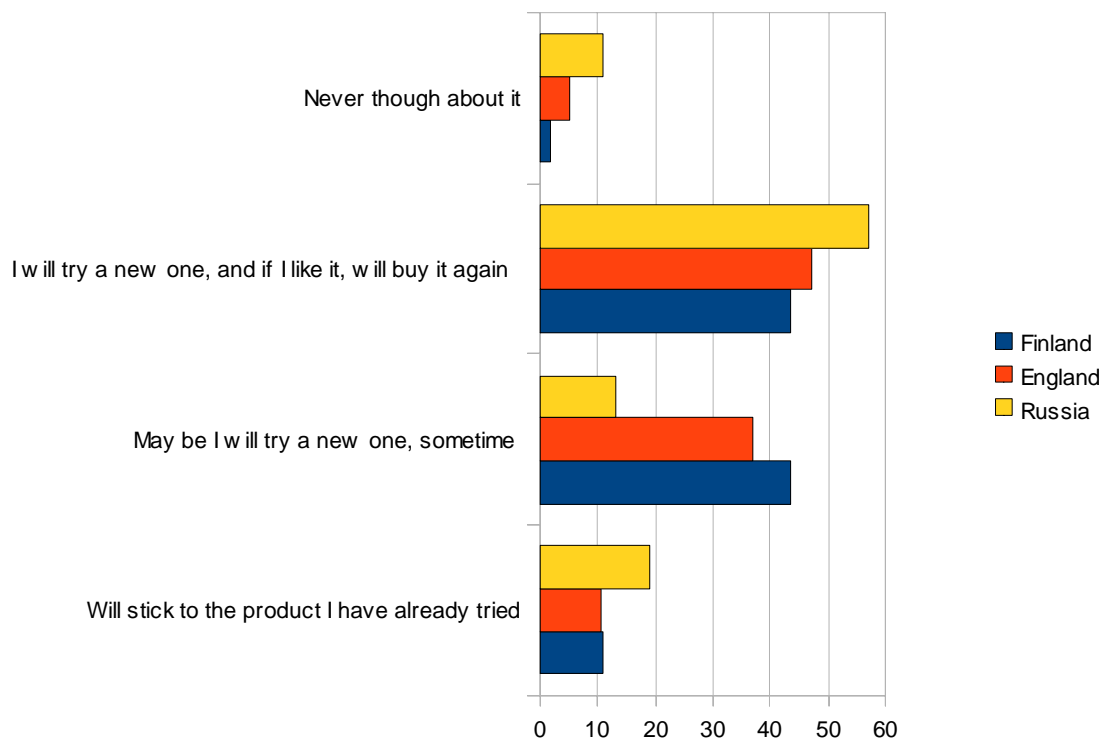


Figure 1- Willingness to try a new product

3. The question *"How often do you buy CP?"* meant to compare the periodicity with which people in England, Finland and Russia consume confectionary products. The answers to this question, give a possibility to view the consumer power in each market and allow the author to make some conclusions about the market potential.

The results showed the difference in confectionary consumption periodicity in every country. There are only five percent of Finnish people, who buy sweet products every day, whilst on the other hand; the number of these people is much higher in Russia, representing twenty-seven percent of the sampling size, and in England, where sixteen percent of questioned people answered, that they consume confectionaries every day. Furthermore the biggest consumption of sweet goods is observed in England, where this number is higher than fifty percent. In Finland, fifty one percent of the sampling group have the same results. Russia and Finland have approximately the same number of people (participants of the questionnaire) who are apathetic towards the confectionary products and usually buy these products by impulse. Moreover, there are more people in Russia (nine percent) that are nonchalant to the confectionaries, comparing to the other two countries. England and Finland have approximately the same result (four or five percent). **Figures 2, 3, and 4** visually illustrate the results of the researched question.

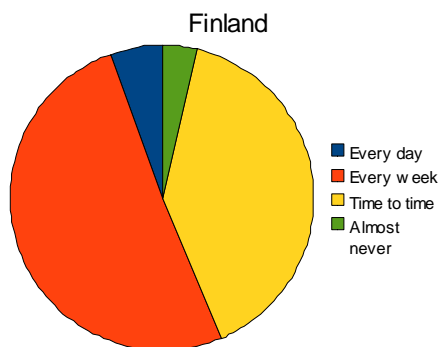


Figure 2 - The periodicity of CP consumption in Finland

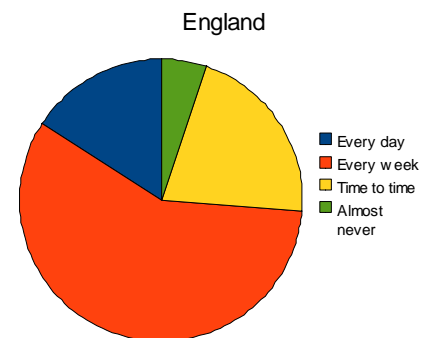


Figure 3 - The periodicity of CP consumption in England

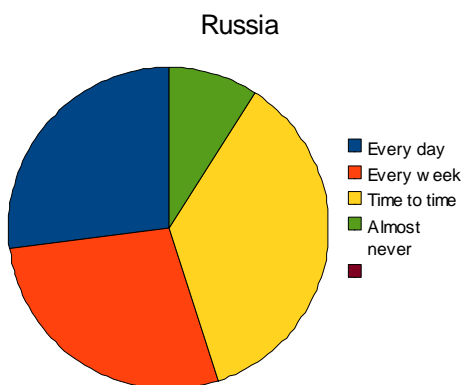


Figure 4 - The periodicity of CP consumption in Russia

4. The image of a brand is one of the most powerful factors that influence consumer behaviour (Boo, Busser & Baloglu, 2009). The fourth question of the survey was produced to identify which brands have the strongest impact on Finnish, English and Russian people. The findings brought up results, which do not have anything common.

Despite Finnish national patriotism (Nationmaster, 2009), fifty-one percent of Finnish sampling group is not concerned about what brand the confectionary product belongs to. Anyhow, the second largest group (thirty-five percent) buys mostly domestic brands, although they can change their mind and purchase a foreign one. The consumption of only domestic or only foreign brands is low – nine and four percent.

The responds that came from English people gave fundamentally different result. First of all, it is easy to see that the majority of people in English sampling group prefer to buy domestic brands. Fifty-three percent of participants do not want to buy any other products, but those, which came from their own country. Twenty-two percent answered that they do not care about the originality of the brand, and eleven percent of questioned people are willing to buy foreign brands.

Russian people are divided into people who buy mostly foreign brands, and those who do not care. In the first group there are thirty-four percent of the sampling group, in the second – thirty-nine. There is also a large number of people who prefer buying foreign brands only. Just seven percent of questioned people stick to the domestic brands.

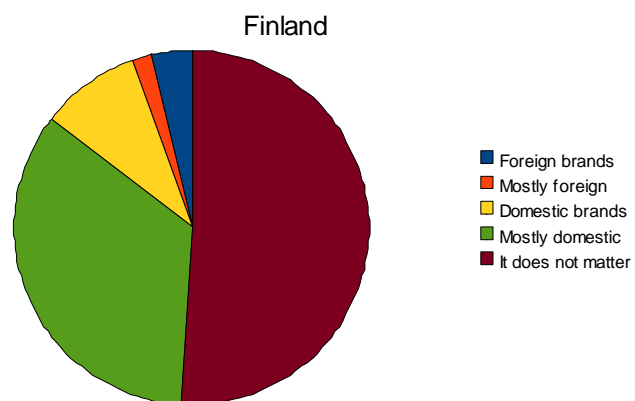


Figure 5 - Brand importance in Finland

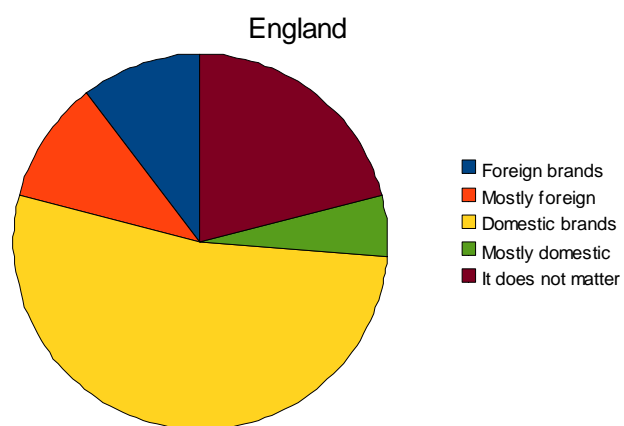


Figure 6 - Brand importance in England

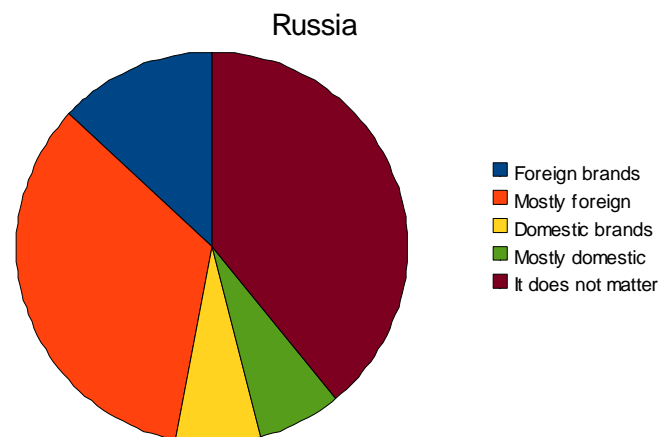


Figure 7 - Brand importance in Russia

5. The fifth question, "If you see your favourite CP 3 for the price of 2, will you buy it?" is relevant to the next 'P' of promotional mix – Price. The responds to this question illustrate how well this pricing strategy works in the confectionary industry in different countries.

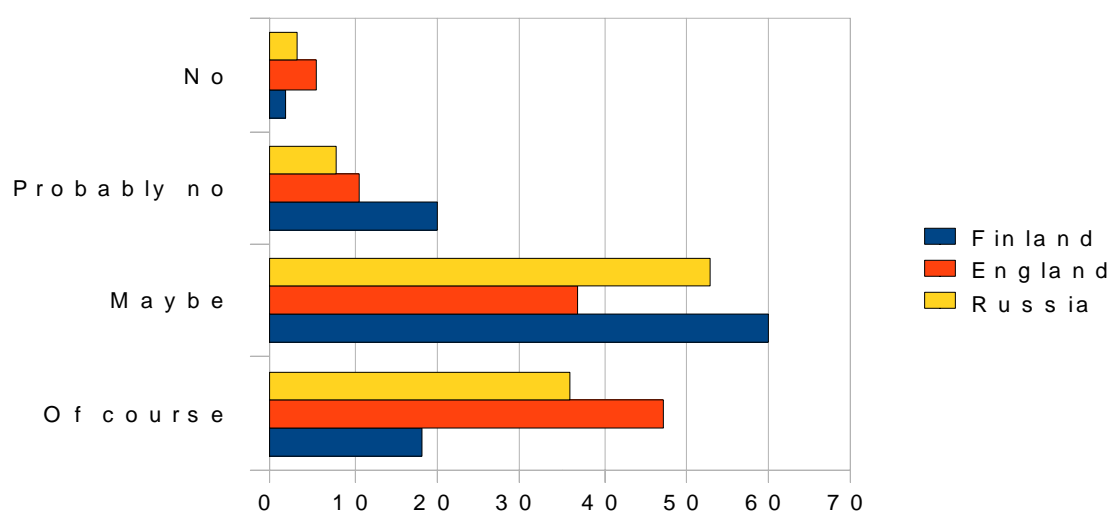


Figure 8 - Reaction on 3 for 2 promotion of CP

The results that are shown in the Figure 5 have some common characteristics. For example, only two percent in Finland, five in England and three in Russia gave the flat negative answer, which means that this strategy will find its own way to operate in each of three countries. The negative uncertainty becomes apparent mostly in Finland, as there are twenty percent of people who reacted this way. Negative uncertainty in England and Russia is similar and makes eleven and eight percent of the sampling groups. On the other hand, Finland is also distinguished when talking about positive uncertainty and has the biggest percentage figure – sixty percent. Russia is very close to the same attitude as fifty-three percent of questioned people answered this way. Forty-seven percent of people in English group are very certain about their positive behaviour when they see their favourite confectionary three for the price of two. The second largest group is Russians, which makes thirty-six percent from the sampling group. Finnish people are more careful in giving assured answers, which is why they make only eighteen percent of the *"Of course" group*.

6. The next question in the survey directly asks participants about their action in the situation when their favourite confectionary product becomes more expensive. The results are clearly illustrated in the graphic below (Figure 6), which shows little difference in the responses.

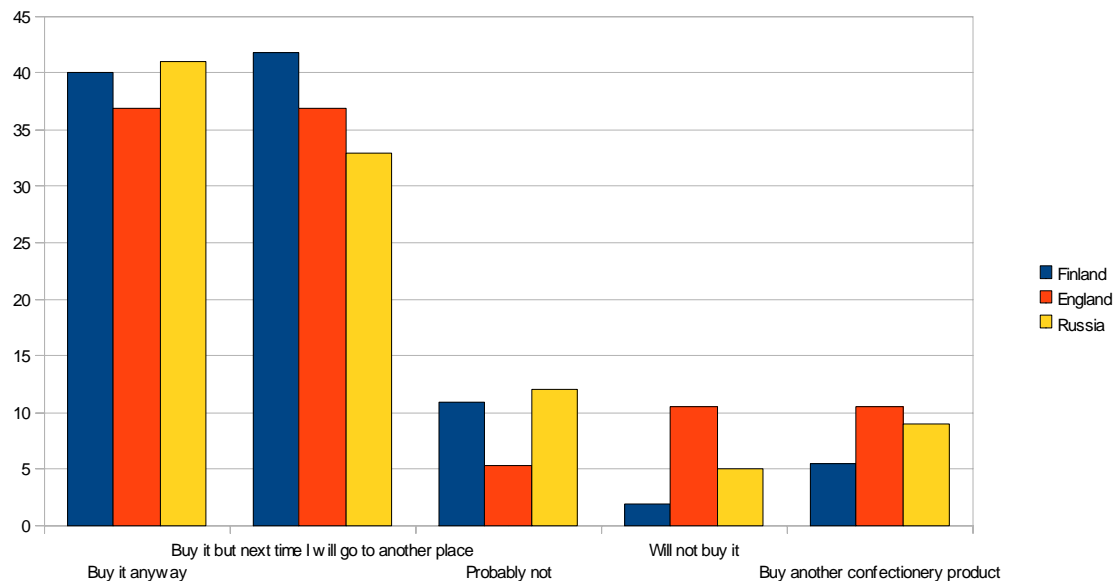


Figure 9 - Consumer reaction when the price for the CP is high

The quick look on the chart will not catch the big verifications in the answers results, and there are many similarities. First of all is clearly seen that the majority of the participants will buy their favourite confectionary product anyway, although there are forty-two percent Finnish people that took part in the survey replied that they will decide to visit another shop next time. On the other hand, many Russians (thirty-three percent) will do the same, but many of them (forty-one percent) will not even consider the fact of price increase as a problem, and will not pay a lot of attention on this issue. Moreover it is interesting to see that when people are looking for their favourite confectionary product, and find that the price is high, only small group of these people will buy a substitute instead. Furthermore, even smaller group of people will not buy anything at all.

7. The similar question was investigating customer actions when the price of his/her favourite sweet product became lower. The chart below (Figure 7) represents the answers of the participants to this question, where some similarities can be found.

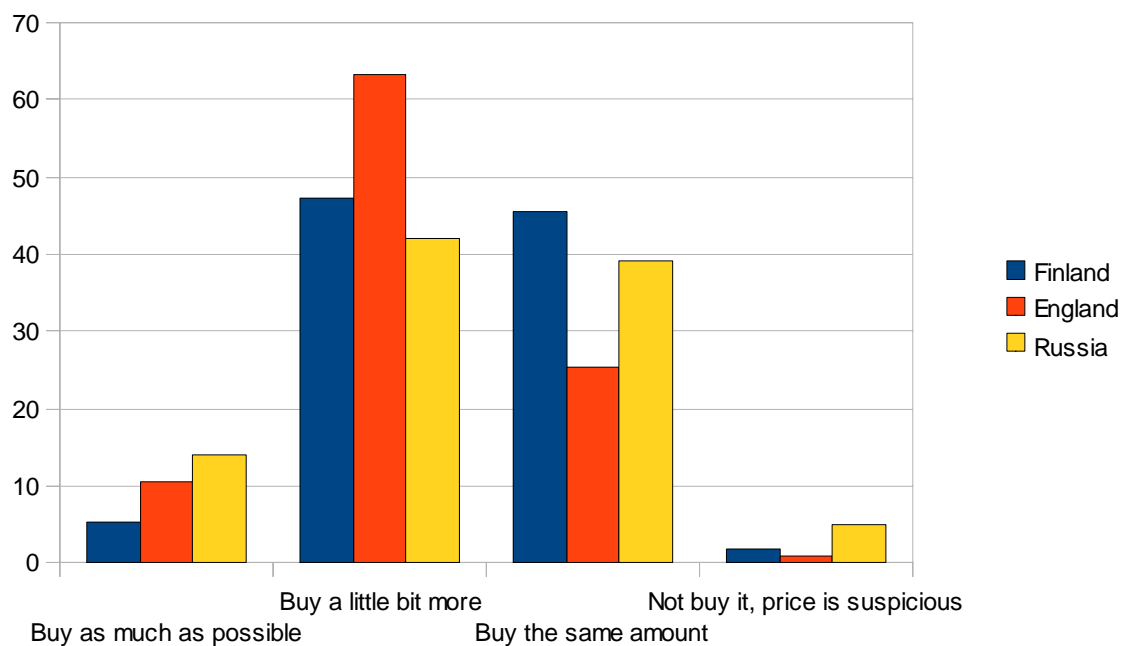


Figure 10 - Consumer reaction when the price for the CP is low

It is obvious that the majority of the people are not going to consider this price decrease as a possibility for a long-term purchase. Only small amount of people will buy as much as possible. The biggest group of people desired to buy a little bit more is English, with the highest result of sixty-three percent. The amount of Russian and Finnish people that will purchase a little bit more is relatively same to those, who will buy the same amount. Finally, only two percent of Finns, one percent of English and five percent of Russian people think that there is an unpleasant surprise hiding under suspiciously low price.

8. The further question *"Would pay more for a prestigious brand?"* was asked to discover in which country people are more willing to pay for the prestigious symbolism that the higher status brand represents. The prestigious brand image could be associated with quality, taste, origin, names, member ship etc. The table below (Figure 8) reflects the difference in the attitude towards this subject in Finland, England and Russia.

Answer	Finland	England	Russia
Yes	20 %	58 %	23 %
Maybe	42 %	21 %	41 %
Probably no	24 %	11 %	28 %
No	15 %	10 %	8 %

Table 2 - *Willingness to pay more for prestigious brand of CP*

The results show the clear similarity in the response of Russian and Finnish people; anyhow English data is very distinguished. First of all, there are more than fifty percent of questioned people are willing to pay more for the prestigious brand and around twenty percent have a positive attitude. The situation in Finland and Russia works the other way around, as the highest number of respondents is positively uncertain about this purchase. The lowest percentage in every country have obvious negative attitude.

9. The next section of the questions was relevant to the place in the marketing mix, which included the questions about location of the products. The first question in this part was produced to identify the most popular places where the confectionary products are purchased. The chart below illustrates the responses of the survey of each country.

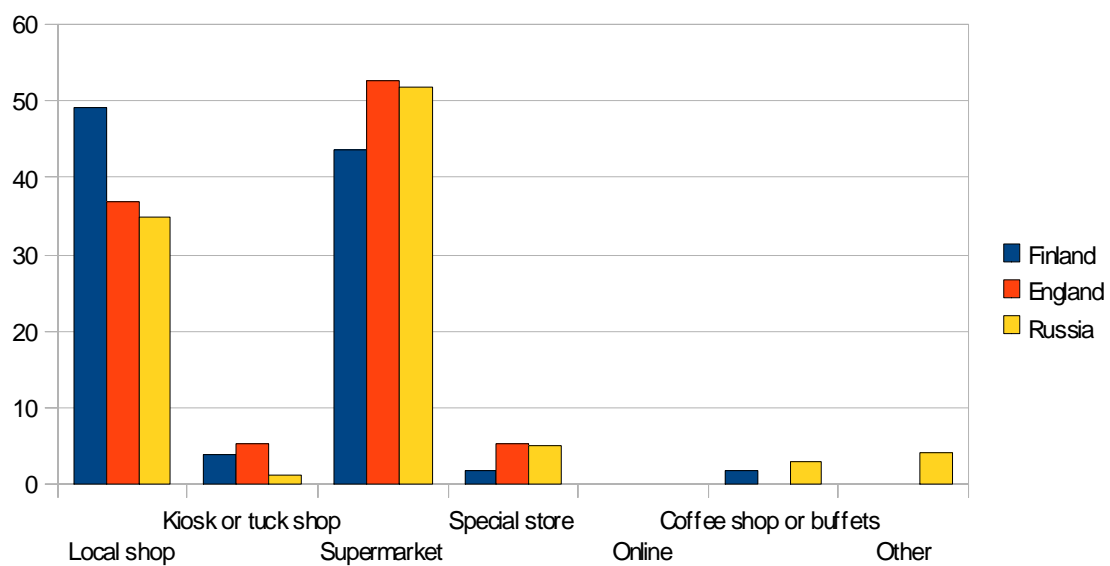


Figure 11 - The most popular locations for purchasing CP

According to the results of the survey the local shops and supermarkets are the most successful retailers of the confectionary products. Despite the information in the literature review and in Appendices, kiosks do not gain so much of popularity in Russia and cafeterias are not important providers of confectionaries in England. It was also interesting to notice that there is no one from the sampling group, who uses Internet to order sweet products. Special stores also do not achieve a lot of popularity in any of three countries.

10. On the other hand there was a question in the survey that indicated the most unpopular place to purchase the confectionary products.

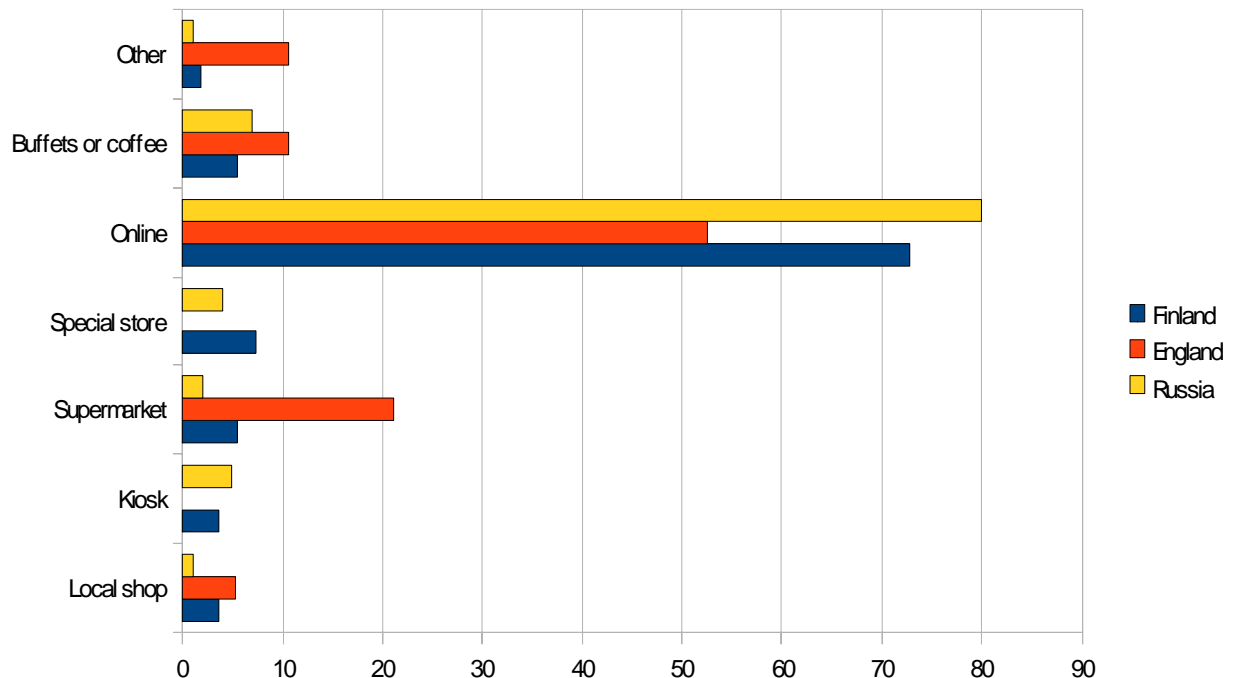


Figure 12 - The most unpopular locations for purchasing CP

The graph above (Figure 10) demonstrates the unpopularity of usage of the Internet to order the sweet products among the sample group in England, Russia and Finland. In other words, people are not prepared for this activity at all. Moreover, it is now generally recognized that twenty-one percent of English people, who took part in the survey will not buy their favourite confectionary good in supermarket, and they have the lowest rate of negative attitude towards online purchase.

11. The following question detects if the nationality of a consumer influences his/her actions in different countries, if they do not find their favourite confectionary product in the usual place. The Figure 11 shows the general similarities in the consumer behaviour in each country.

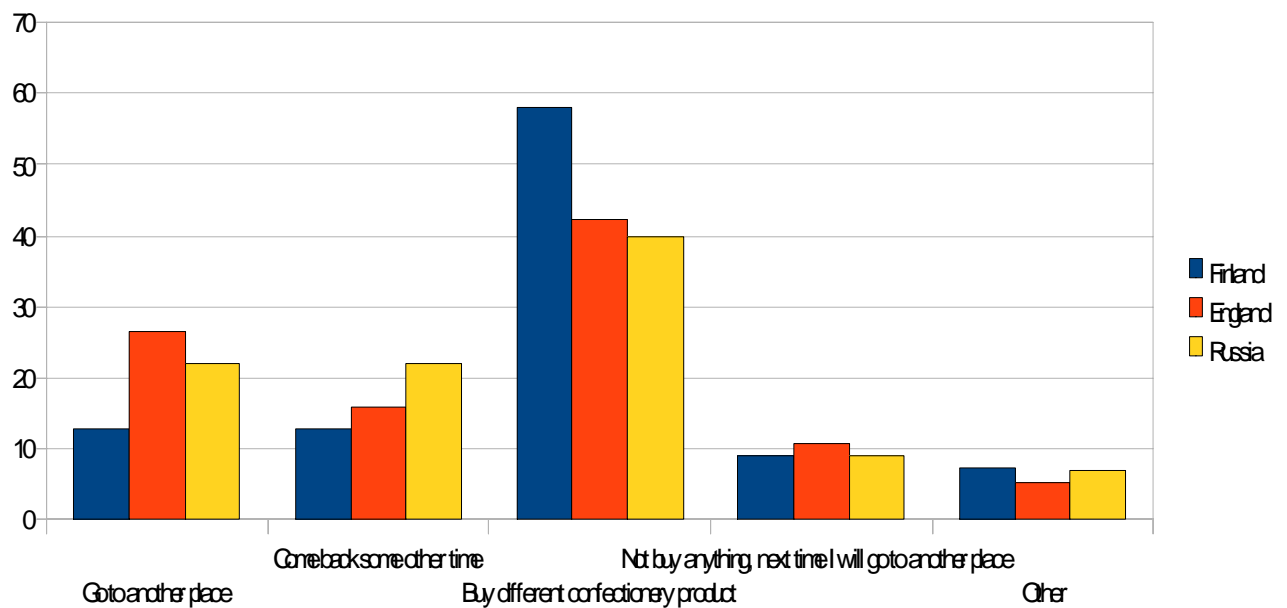


Figure 13 - Actions if there is no CP in the usual place

Anyhow there are less people in Finland that will take the alternative to go to another store, if they do not find, what they were looking for. Twenty-six percent in England and twenty-one percent in Russia will go to different place, if they appear to be in the same situation. Furthermore, it tends to be that there are only thirteen percent of Finnish people that will come back to this place some other time. Russians are more flexible in this situation and there are twenty-two percent of questioned people who will return to the same place again.

12. Due to the fact that the number of Internet users is increasing, the next question in the research tested the readiness of people to purchase the confectionary products online. The results illustrated below showed that people in each studied in this research country are unprepared for this activity. Anyhow here is a tendency for English people to be more aware of this process.

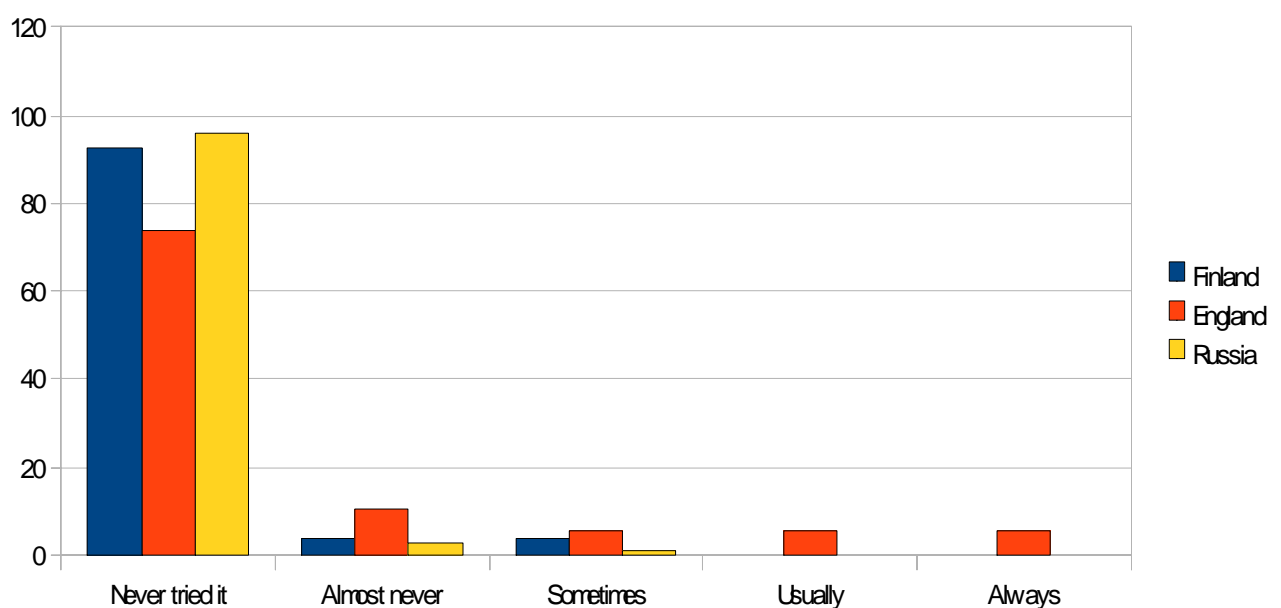


Figure 14 - Readiness to purchase CP online

13. The next set of questions is relevant to the Promotional 'P' of marketing mix. The first question in this group *"Do you participate in the sampling of confectionary products"* was set to identify, how this promotional strategy work in each of the countries and what are some reasons that attracts people to take part in this activity.

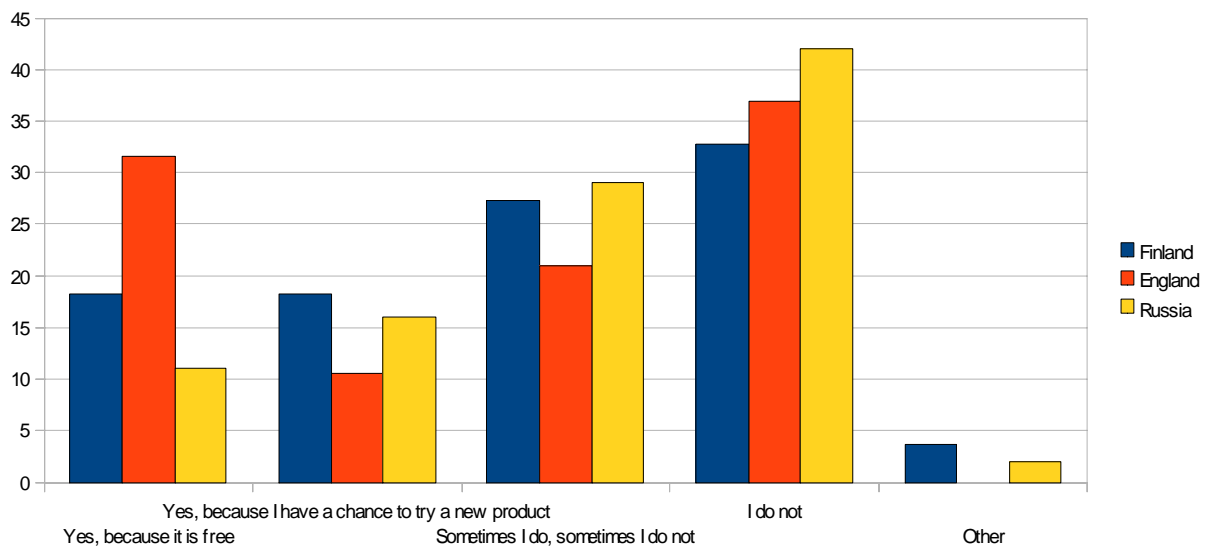


Figure 15 - Participation in sampling of CP

It appears to be that there are more people who do not participate in the sampling of confectionary products than those who do. There are thirty-two percent of English who agree to participate, due to the fact that it is free and only eleven wish to try a new product. There is also a high level of uncertainty, which makes up twenty-one percent. On the other hand, there is the same amount of Finnish people that taste a product because they want to find out about it more and due to the fact that it is at no cost. Russians have the lowest rate of product sampling participation. There are forty-two percent of Russian people who will not take part in this at all. Four percent of Finnish and two percent of Russians have chosen the other reason of participation or non-participation in the confectionary product sampling.

14. The next question identifies the channels of where people find out about the confectionary products. The graphic below demonstrates the success or failures of advertising channels in England, Finland and Russia.

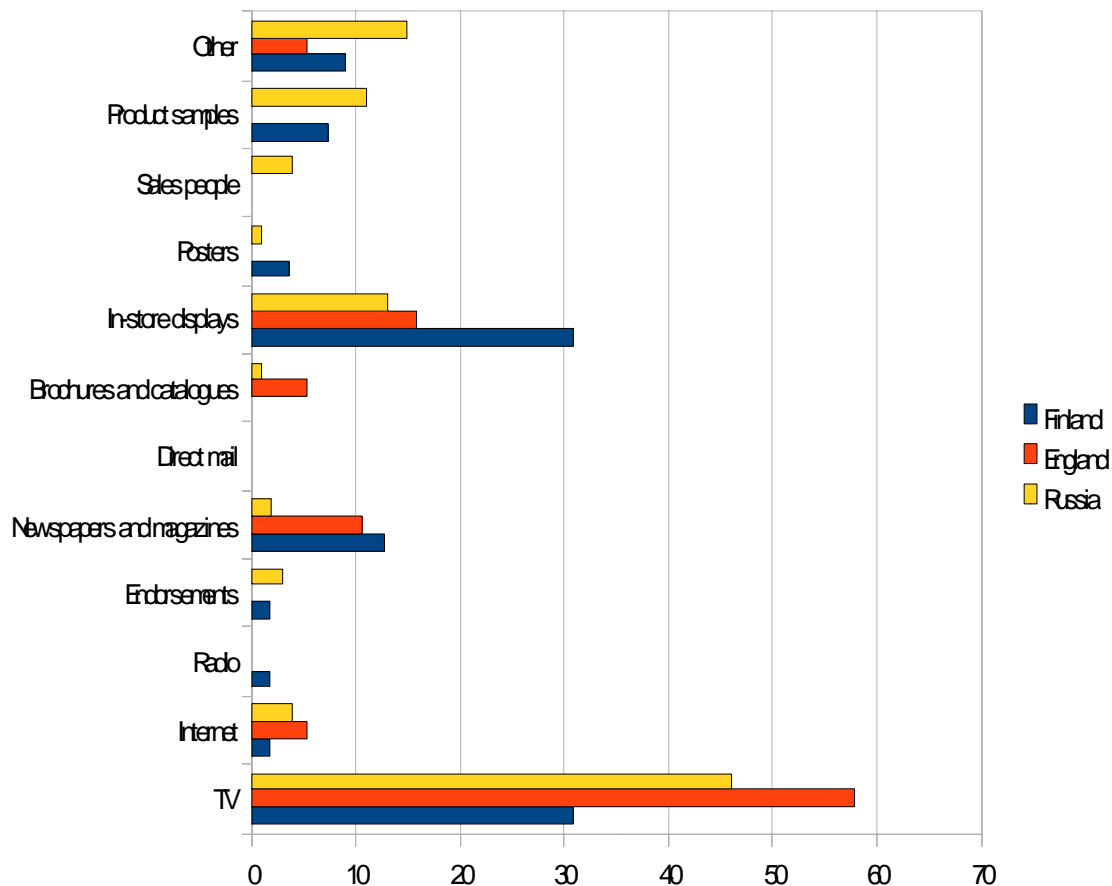


Figure 16 - Most popular promotional channels of CP

It is now generally recognized that TV one of the most successful advertising channels in Russia (forty-six percent), and England (fifty-eight), and it is one of the most popular ways to advertise confectionaries in Finland (thirty-one). The least popular way for people to find out about the confectionary products in Russia and England are in-store displays. On the other hand, for Finnish sampling group, this channel is as informative as TV, as there is thirty-one

percent of questioned people chose this option. It is also easy to see from the graph that news papers advertising is not as accepted in Russia as it is in England and in Finland, where eleven and thirteen percent of people chose it as an option. Internet is used as a main channel to find out about the confectionary products by two, five and four percent in Finland, England and Russia. Direct mail, radio and posters, brochures and catalogues are the least advantageous advertising ways to promote sweet goods, due to the fact that their audience is minimum comparing to the product sampling, in-store displays, TV and the option "other".

15. The question number 15 *"If you see an advertisement of a CP that you find irritating, you will"* finds out does the belonging to the particular nationality influence on the behaviour in the situation, where the advertising causes only negative emotions. The graphic below shows the comparisons of different behaviour in each country.

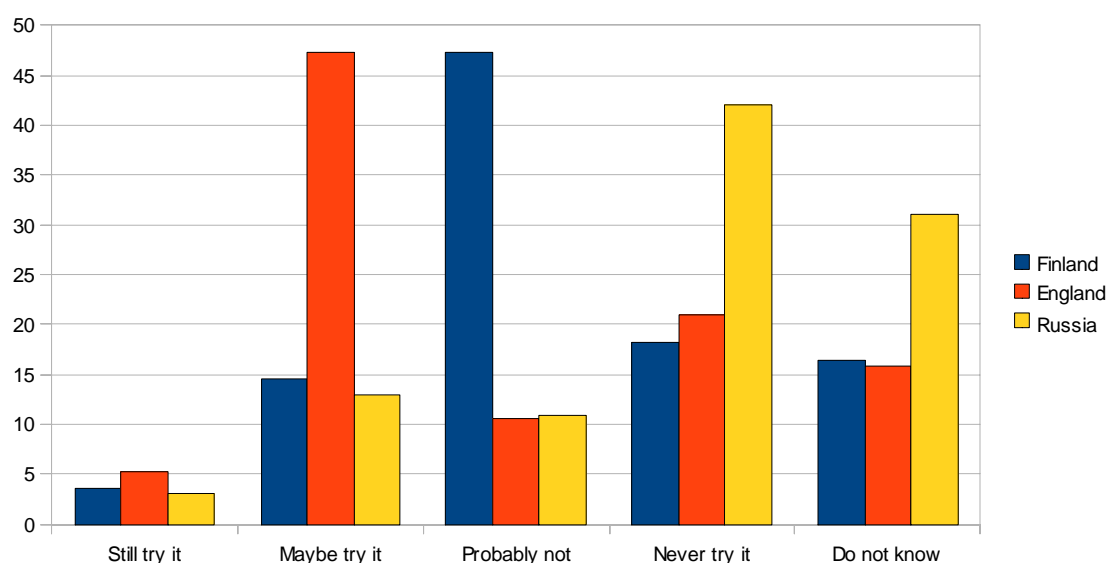


Figure 17 - Reaction to irritating advertising of CP

The results showed that there are four, five and three percent of the questioned people in Finland, England and Russia that are sure, that the unattractive advertising will not prevent them from trying a new product. Moreover, it appears to be that there are more English people (forty-seven percent), who manifest the positive uncertainty to the new confectionary product with irritating promotion. There are also forty - even percent of Finnish people, comparing to eleven percent of English and Russians that have a negative uncertainty towards a product with irritating advertising. Forty four percent of Russian people from the sampling group have a clear negative attitude towards this good and around twenty percent of English and Finnish people agree with them. Anyhow, there are also many people, who do not know, what will they do in this situation and they make sixteen percent in Finland and England and thirty-one percent in Russia.

16. The similar question was testing people's behaviour if they see an enjoyable advertising of a new confectionary product.

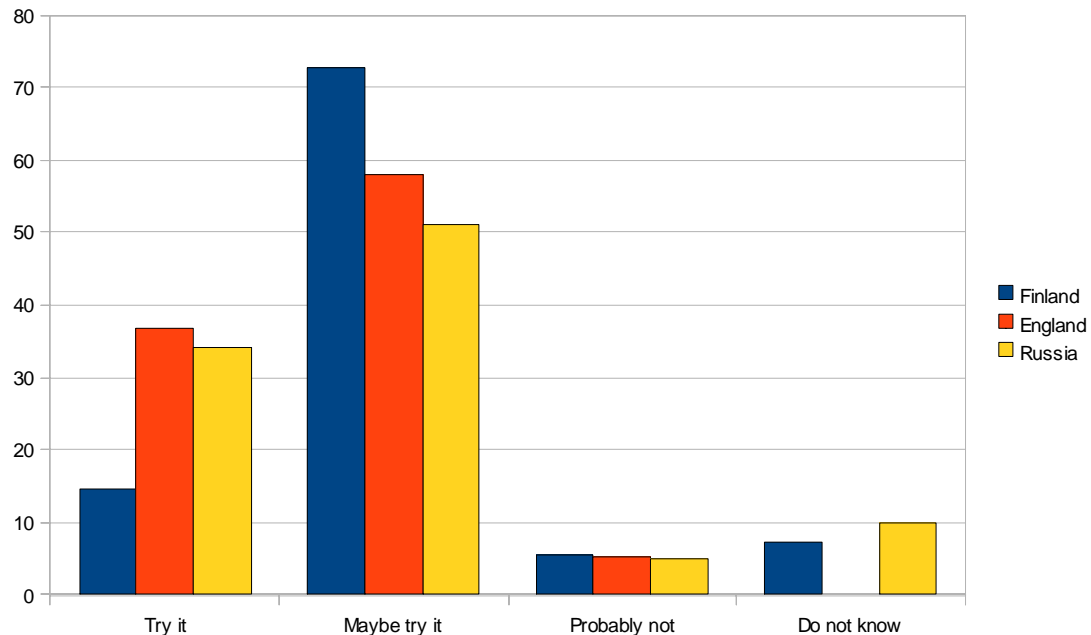


Figure 18 - Reaction to enjoyable advertising of CP

It is easy to see that people in every country have generally the same attitude towards this situation. Anyhow, there are more participants in the survey coming from England and Russia tend to give positive certain answers, which makes around thirty five percent. Finnish people are careful in giving the answers, although it is obvious that seventy three percent of questioned people have a positive uncertainty. Around the same number of participants in every country still will not buy the confectionary product, and seven and ten percent in Finland and Russia are not sure what their actions will be.

Discussions and Recommendations

Apparently, the word homogeneous is wrong to use, when talking about confectionary market in Finland, England and Russia. The results of the survey proved the appropriateness of **H1** in the case of this study in general, although it tends to be that there are still some similarities in the consumer behaviour in mentioned above countries, which could be found in single questions responses. Anyhow there are characteristics, which are relevant for **H4** and **H5**, although these similarities are not often met.

Finland: Much like England and Russia, the most popular confectionary product in Finland is chocolate, although the consumption of candies in Finland is almost cultural thing. Every supermarket, local shop or kiosk will have a big variety of hard and soft candies. Some of those are sold in packs, some of those are situated in container, and the consumer takes as much as he/she wants him/herself. Moreover, it could be said that Finnish people are big fans of liquorices (Eriksson, Foeler, Whipp & Rasanen, 1996). Consequently, it should be taken into the serious consideration, that the competition for chocolate and candies is very high. Moreover, ice cream and chewing gum are also popular there and the number of competitors is therefore large.

Anyhow if one or another company wants to expand into Finland with some confectionary goods, it will be very welcome, as Finnish people have a

positive attitude towards newcomers. It could be so, due to the reason that the number of produces in confectionary industry is limited and people simply are looking forward to taste something new. Moreover, according to the research and despite the national patriotism of the country there is a high level of consuming confectionary goods of foreign brands. This is a good sign that new comers from abroad will get as much popularity as domestic brands. Another reason for a company to enlarge into Finland is the high periodicity of confectionary consumption in this country.

In conclusion it would be hard to suggest what confectionary product to launch into the Finnish market, on the one hand it is clearly seen, what is trendy there, although those products have a strong competition with very stable positions in the market. On the other hand, the novelties are very welcome in Finland; however there is no guaranty that consumers will like the new tastes.

When talking about the pricing strategies, it seems that Finnish people are very flexible with the cost of their favourite confectionary product. Any price differentiation will have only some affect on the sales of the goods. This means that if a company that enters confectionary market in Finland with the intention of cost leadership strategy it is more likely to be successful. Furthermore, if there is a firm that makes the main accent on the quality or origin of the product and therefore the price of the confectionary is going to be high, it will also gain a particular target market among Finnish people, as they

are aware of the fact that the quality costs more. Additionally, the fact that Finnish people prefer the natural characteristics of any products, the higher price will not surprise the consumers.

Some of the pricing aids that reduce the cost of the product, as "three for two" or sales, also have a positive effect on the consumers. For that reason it is an accurate way for companies to raise the popularity of their product and increase their sales.

The peculiarity of shop locations in Finland is described in the Appendix 1.7, 2.7, 3.7. According to the fact that the distance between shops is relatively long, the most popular place for people to buy confectionary products is local shop. The next most popular place to purchase sweet goods is supermarket. Due to the fact that the majority of people visit the supermarkets to buy products, which will last them more than two or three days, and taking into the consideration the periodicity of sweet product consumption in Finland, it could be suggested that Finnish people buy a bigger amount of confectionaries in supermarkets. Moreover the results of the survey proved that Finns consider Internet as the last place where they can purchase confectionaries. Therefore, there are two different recommendations that could be suggested, when talking about location. For the companies with low and medium budget, it is the right way to place their confectionary items in the shelves of local shops and supermarkets. On the other hand, a firm with bigger budget could be an innovator operating via Internet and investing into advertising to train

people to purchase sweet products online. Due to the fact that it is a new and unknown field to operate in, there will be minimum competitors. When the awareness of people will increase to the wanted level, the cost on advertising could be reduced as the promotion can take place only in the Internet.

The results, which are relevant to the Promotional 'P' of the marketing mix, show that despite the high popularity of newspapers in Finland the main channels to advertise confectionary products are TV and in store displays. Newspapers and Internet do not seem to be very successful in promoting sweet products. Anyhow, it could be suggested to advertise confectionary products there, due to the fact that there is no decrease in reading newspapers in Finland and the level of Internet usage is growing constantly. Moreover, these advertisements are at low cost, therefore a company, which decides to expand to Finland will save some of its budget. It also demands no adaptation, and as a result saves cost. The TV promotions will be more successful in the terms of product popularity, although, according to the literature review, most of them would need to go through adjustment process, as Finnish people welcome only specific types of commercials (Kloss, 2000, p.64).

The failure in the advertising can lead to the fact, that people will count this promotion as irritating. There is a tendency in the behaviour of Finnish consumer not to accept this mistake, as they will have a negative attitude towards this product. That is why, it should be taken into the serious consideration, that before entering Finnish market and promoting a

confectionary product there, the marketing research should be done, investigating what is the right way to promote it, otherwise there is a big risk for failure. On the other hand, if the promotional campaign is successful, the stable positive attitude is guaranteed.

One of the promotional campaigns is sampling the product. The survey illustrate the peculiar results that cannot indicate either it will be very successful or not. Although this campaign will have some target audience and bring a company some benefits.

England: The survey have proved that the confectionary market in England is largest one comparing to Russia and Finland, due to the fact that the products which are popular there are very different. According to the factor that it was possible to select only one favourite product in the survey, the responses distinguish the predominance of several goods offered in the questionnaire. Even though the chocolate has a priorities position in the answers, ice cream, candies, cakes and cookies are also very popular there.

Much like Finland, English people are also very open to new products, which they are willing to try. Anyhow, it is clearly seen that English customers are tend to buy mostly domestic brands. The reason for that could be a huge range of home products described in Appendix 3.6. Moreover the biggest retailers like ASDA or TESCO provide their own brands using the cost leadership strategy. Taking into the consideration this information and the

high periodicity of confectionary consumption it could be said that there are two sides of one coin, when entering English confectionary market. First of all the market is big and therefore the customers have a very strong power of choice. Secondly, according to the same reason, the strong competition is a huge threat for the new comers. On the other hand, on the basis that consumers are looking forward for new products, it could be conclude that a company can come up with something innovative, as Eastern confectionary, for example, where the competition is small.

Unlike Finnish people, English consumers are less price flexible. There are more people that will not buy one or another product or purchase a substitute due to the price increase. The reason for that is big variety of offered goods. The low price strategy works very successfully in England as the majority of questioned people had a positive attitude towards the situation, when their favourite sweet product is at low cost. The positive attitude towards "three for two" campaigns underlines again the fact that due to the big number of confectionary products in English market where one can substitute another, the consumers are looking for the something cheaper. That is why, when entering the English confectionary market the price of competitors should be taken into the serious consideration, as the wrong choice of fixed price can lead to a failure of the campaign.

On the other hand, people in England are ready to pay more for prestigious brands, which means that if a company clearly underlines the message that

proclaims their brand to be high-status, they are more likely going to succeed in their strategy.

Despite different nature of the shops and their locations in England, comparing to Russia and Finland, the most popular confectionary retailers are local shops and super markets. The reason for that could be the fact that supermarkets offer the biggest variety of confectionary goods, and the local shops sell the most popular brands. The choice of confectionary in kiosks or coffee shops is limited. Online purchasing of confectionary is not very popular either. Anyhow, people in UK are more used to shop online as many retailers offer this alternative in their web sites and promise the delivery. The reason why many people say that they will not buy their favourite confectionary product online could be the fact that single online purchase does not worth all effort and time, when it is possible to buy sweet product in the shop of the next street corner. That is why it could be recommended for the companies, which want to enlarge into England to cooperate with the biggest retailers, as they are going to promote the confectionary products in their Internet pages. Moreover, companies should be sure, that their product is available in local shops and supermarkets, due to the very high level of competition and large number of substitutes.

When talking about the Promotional aspect of marketing mix in England it is clearly seen that alike Russia and Finland, English people find out about new confectionary products from TV advertising, in-store displays and

newspapers. Anyhow, the research proved the most successful advertising channel is TV. Therefore, due to the fact that English people watch television very often, the achievement of the TV promotions for those who want to operate in England will be the most successful. Furthermore, it seems that English people are very addicted to confectionaries; due to this fact they are very flexible even if the advertising is considered to be irritating. According to this factor, the risk for failure is very low. The successful promotion guarantees a very high consumption of the advertised product.

Further research questioned one of the most popular promotion aid – sampling. It tends to be that there are more people in England that will participate in the product tasting. Anyhow, the main reason they take part in sampling is the opportunity to get a confectionary product for free, but not to try something new. In this case product sampling in England carries out the risk that after tasting the new product, customer will return to the usual confectionaries. Nevertheless, it could be said for sure, that the product sampling in England, as well as in Finland will attract new customers.

Russia: Russia is no differing to the previous countries, when talking about the most popular product. Anyhow, it seems that unlike Finland, Russian people do not consume so much of sweets and candies; on the other hand, same as England, Russian consumers purchase cakes, cookies and ice creams quite often.

It is also very important to notice, that every kind of confectionary has its target market there. The facts that there is a high periodicity of sweet product consumption, general forecast of the market and a high number of population leads to the conclusion that Russian confectionary market is very developed and open for new comers. Additionally, according to the research, the participants of the survey are divided into 2 groups: the ones that prefer foreign brands, and those who do not care and that increase the possibility of foreign brand purchase. It is a green light for international investors and entrepreneurs.

Due to the reason that there is large international competition among chocolate products, it could be advised for a company, which is planning to enlarge into Russia, pay attention on the confectionaries like cakes, cookies or ice creams, as many of them have domestic competitors Appendix 1.6. Furthermore, to expand with other confectionary goods could be also considered as an alternative. Despite the small number of responses, it should be born in mind the size of population, especially in big cities like Moscow or St Petersburg.

There difference was detected in Russian consumer behaviour in terms of pricing strategy. It appears to be that Russian people are not as spendthrift comparing to Finns, although they are still price flexible. This conclusion is built on the basis of a fact that people in Russia will pay more for the favourite confectionary product, if they find it to be more expensive. Moreover, if there

is a product with lower price, many people will buy bigger amount. Besides, it is clearly seen that many Russian people behave the same way as Finnish people, when it concerns the cost of the product as was predicted in **H4**. Anyhow the author will not recommend the same strategy for a company, which plans to expand to Russia, like to the one, which enlarges to Finland. Even though the pricing flexibility is almost the same, the range of products is different. Cost leadership strategy will not be as successful in Russia, as it can be in Finland, due to the fact, that according literature review, many Russians nowadays want to underline their wealth status, which is impossible with cheap products (Schroeder, 2002, p.49). Moreover, the competition of low cost products in Russia is very high and stable, due to the local brands; therefore it would be hard to gain the secure positions there. Consequently it could be advised for a company to underline its international status of the product and set a normal or high price, as that is how an international company will gain more target market in Russia.

Much like England and Finland, the most widespread places for people to get the confectionary products are supermarkets and local shops. Despite the literature review (Appendix 1.7), kiosks are not so popular there. The reason for that could be the quality of the products and the general status of the purchase from the kiosk. Moreover, the survey showed, that Russian people are the most unprepared to buy goods in the Internet. Even though there are many users of the net, people do not want to trust their card details to the computer. The explanation for that could be the corrupted reputation of

Russia. Moreover, it can be so, due to the region unequal development, whilst in Moscow online shopping will not sound as a ridiculous idea, as it will be in Petrozavodsk (Karelia). Therefore, it could be suggested for a company to use the usual distribution channels and locate confectionary good in local shops and supermarkets.

Much like England and Finland, Russian people are generally divided into 2 categories: those, who will leave the shop if they do not find the confectionary they were looking for, and those who will buy a substitute. That is why, the firm should be sure, that there is enough of their products on the shelves of the stores. Otherwise, taking into the consideration the positive attitude of Russian people to try new product, the company could lose in sales.

Identical to England and Finland, TV is the most powerful channel to advertise the confectionary products in Russia as well as in-store displays. Anyhow, there are many people in Russia, that find out about new confectionary product through the sampling. Even though the positive attitude in the sampling process is lower than in any other country, it brings positive results of awareness about the new product.

The flexibility of a consumer, when talking about failure or success of an advertisement is relatively high, although there are many people who find it difficult to predict their own reaction, if the advertising is irritating or enjoyable. Therefore, it could be advised for a company that expands to Russia, to take

into the consideration the facts, which were mention in the literature review, of
what Russian people like to see in the commercials.

Conclusions

In the conclusion it is needed to say that countries profiles from the perspective of marketing mix are different. Anyhow, it is clearly seen that the most similarities are observed when talking about price changing of confectionary products and purchasing locations. Therefore, these two 'P's would be easier to standardize. The promotional channels are also looking alike; anyhow, the reasons behind the certain preferences are different. Thus, companies should be very careful with choosing one or another channel, due to the fact that people in England, Finland and Russia expect to see dissimilar messages in advertisements. The product 'P' will need the most of attention, due to the customer's preferences in these three countries and the power of competition.

Limitations

This study has several limitations in terms of research design, which may impede the progress of generalising the findings. First of all, even though the questionnaire is orientated on people of every age, the results are coming mostly from people between 20-45, due to the fact that these people are somehow related to the educational institution the author could contact using social sites. Second of all, the research might handle 7- 8 per cent of margin error, due to the number of responses derived in each area (Worcester & Downham, 1986, p.108). Third of all, the questionnaire does not foresee the option "Please specify", due to the fact that the author is not fully aware with LAMB technology, which was used to introduce online survey that is why she put certain limitation in analysing data. Furthermore, due to the limited time in producing this paper, there is uneven number of participants in each country. Due to the same reason the survey was produced in two languages only (Russian and English), which means that there is a possibility that some of the Finnish people did not answer the questionnaire or did not understand a question for this reason. Another limitation will be the collective word "confectionary", which gathers chocolates, sweets, ice creams, est., which makes the research general.

Material for further research

This research can play a starting point for more concrete study. Further research can concentrate on particular confectionary product in certain country. Moreover, it could use smaller segment of more compressed age group, if needed. This study illustrates profiles of three countries, which can be a plan of further investigation of other countries or more detail research on each of them.

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Appendices

Appendix: 1.1 Russian Profile

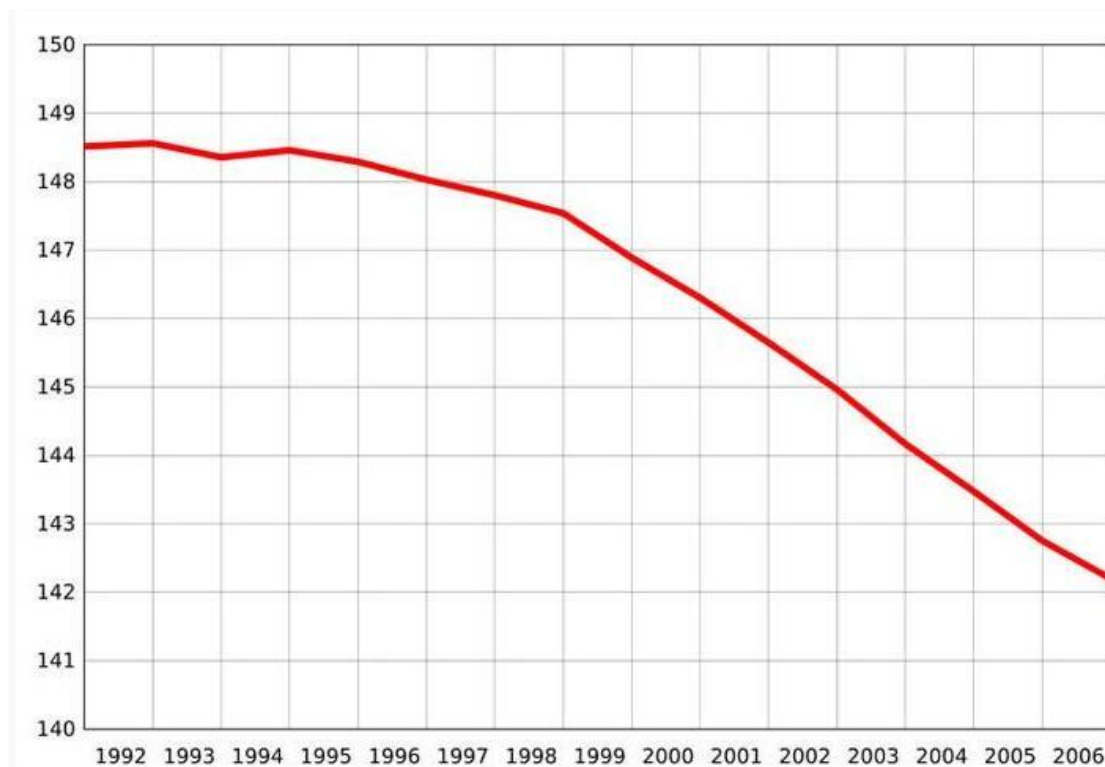
Russia is the biggest country in the world. Due to the fact that it has largely continental climate (Curtis 1996), numerous historical events, the word “culture” is also large and numerous. That is why the research is covering only one region of this nation. However there are many issues that are common for this country all together.

First of all due to the major historical events as World War one and two, the political structure of a country after, the creation of Soviet Union and its collapse, drew the whole country into the internal crises. These historical events had a huge impact on Russian mentality. The fact that Soviet Union had anti-west policy, did not allow people to have a big choice on the products in the shops (Dornin & Bellinger, 2005). Now Russian shops are full of different range of products and people are divided into old generation, who does not know what to do with these products, and new generation, who wants even more.

Karelia became a part of Russia in 1939, after winter War with Finland. It is an open fact that there are many traditions, which similar to Finnish ones. Karelian language (for example) also belongs to the same Finno-Ugric group as Finnish although nowadays it yielded its position to Russian one. Karelia is a good example of culture mix; it has history that belongs to Finland and to Russia and climate with cold winters and hot summers (Taagepera, 1999, p.127)

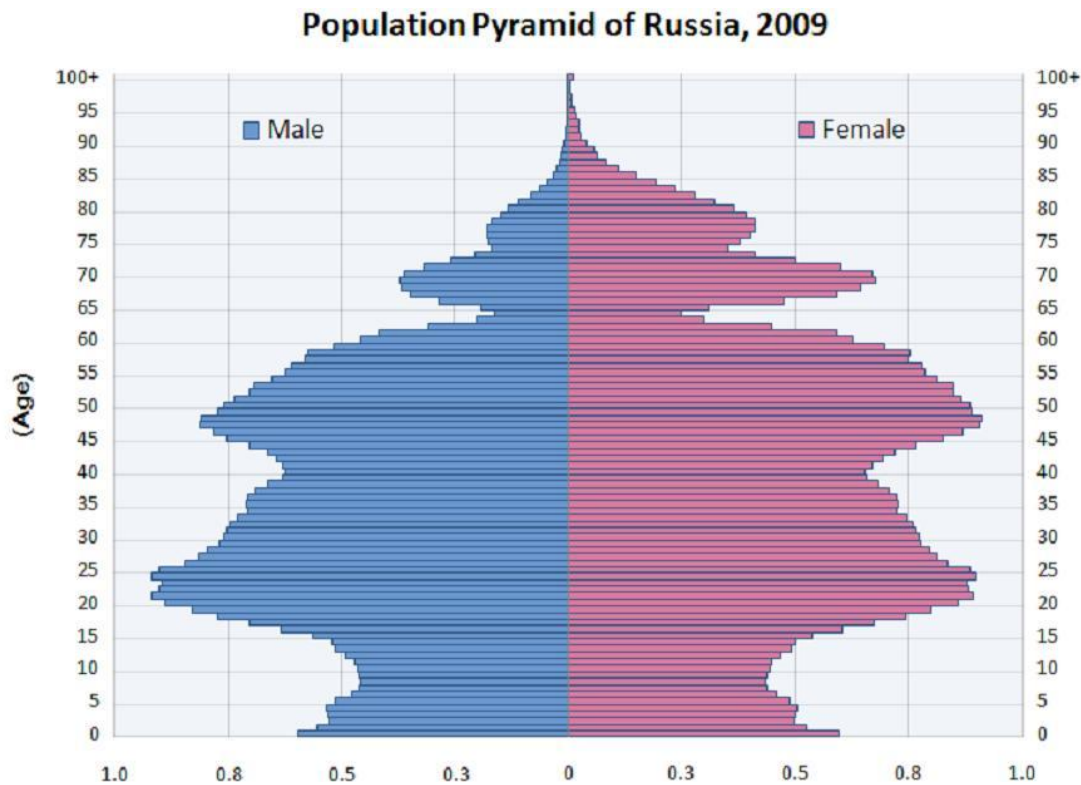
Appendix 1.2: Demography situation in Russia

Demographical situation in the country was in a big crisis since 1991; as the birth rate was lower than the minimum of generation substitution. The country could be characterized as a developed country due to its birth rate, and as a developing country due to its death rate. The population in Russia in 2002 was 145,166,731 and in July 2008 that number decreased to 140,702,096, the number of people living in Karelia is 697 000 (Countrystudies, 2010). There is approximately equal number of people belonging to the demographic group of 0-14 and over 65, although the data collected in 2006 identifies a little difference, which shows that there are older people than people from 0-14. The population aged from 15-64 is the largest group and covers 71.3% (Nationmaster, 2009).



(Source: www.tapestrybooks.com)

Figure 19 - Decrease in Russian population

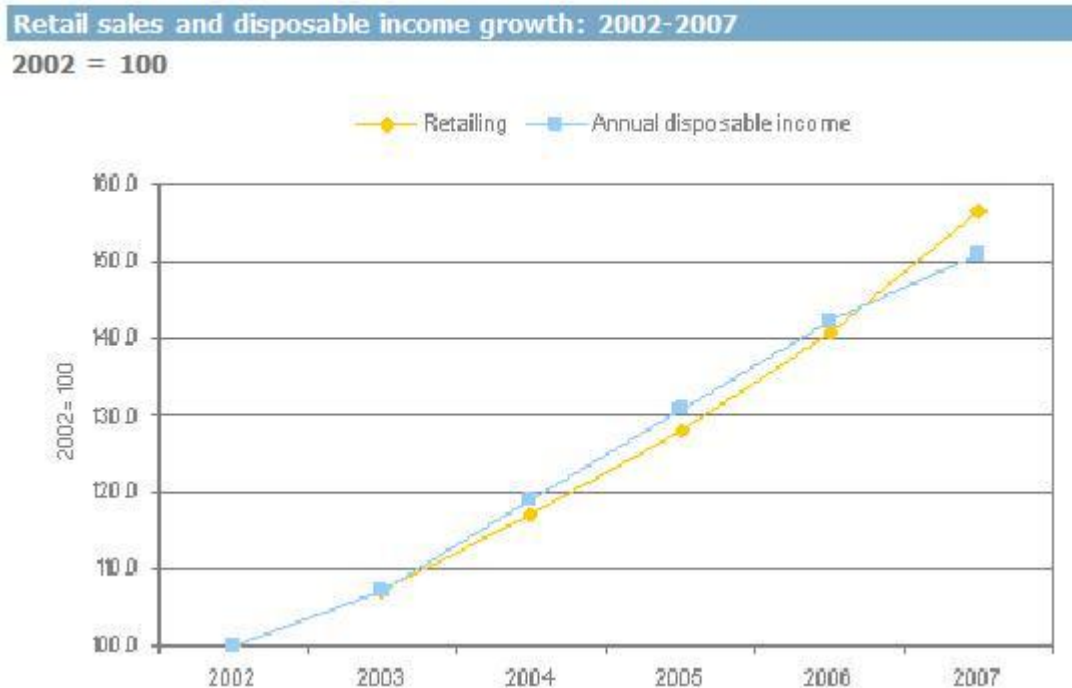


(Source: http://community.livejournal.com/politics_ru/2009/10/29/)

Figure 20 - Population pyramid of Russia, 2009

Appendix 1.3: Disposal Income in Russia

The average income in Russia reached to the point of 303\$ per month which is around 8,600 rubbles. This country is considered to have highest salaries among ex members of USSR. However, it is still very low, comparing to the European countries (English.Pravda, 2005). Nation GDP equals to \$2.076 trillion (2007). The national GDP growth is around 6%. Unemployment in Russia is above 6 %. During 2009 the level of unemployment in Karelia went down (Indexmundi, 2009).

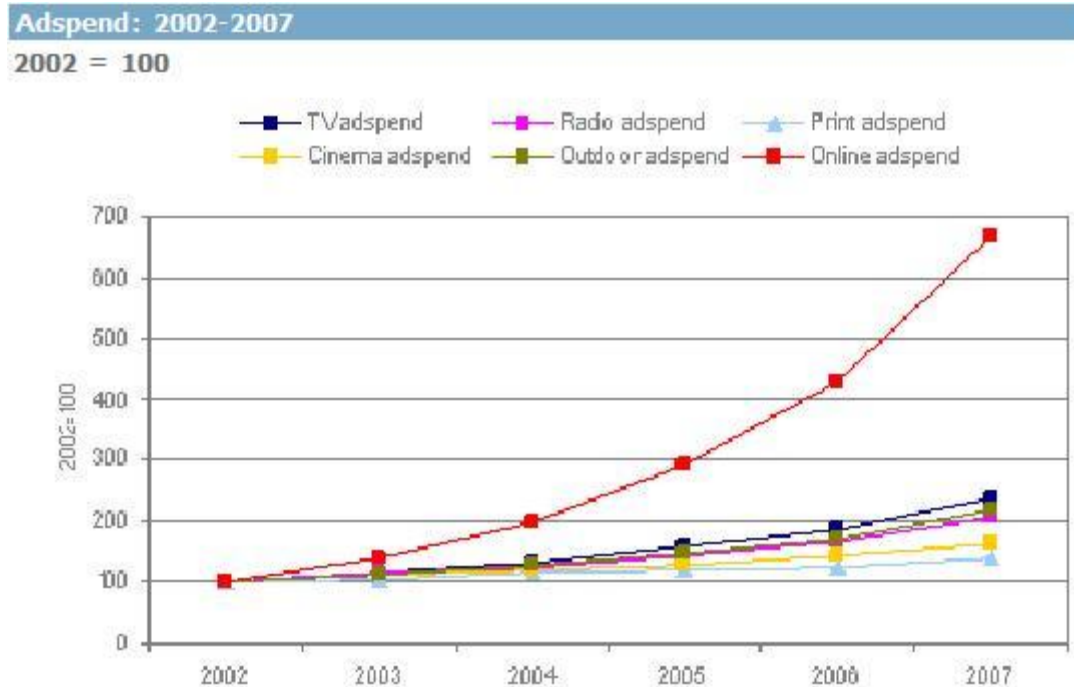


(Source: http://www.euromonitor.com/top_10_consumer_trends_in_russia)

Figure 21 - Retail sales and disposable income growth in 2002-2007

Russia has 3 mostly expressed groups of consumers. The “Innovators” group is based in Moscow, where most of the money is circulating in. The next largest group are “Spontaneous”. These people are motivated by impulse when buying product, and usually are men and singles. 25% of all Russian consumers are “Settled”. They are orientated to follow the Innovators, and belong to a largest group of Russian consumers. There are also “Ambitious”, “Self-realised”, “Traditionalists” and “Thrifty” types of Russian consumers, which include less people (Euromonitor, 2009).

Appendix 1.4: Advertising spending in Russia



(Source: http://www.euromonitor.com/top_10_consumer_trends_in_russia)

Figure 20: Advertising spending in Russia, 2002-2007

Appendix 1.5: Life style indicator in Russia

Lifestyle indicators					
	2006	2007	2008	2009	2010
Consumer Expenditure on Food (US\$ million)	138,564.84	162,700.17	215,458.32	170,123.00	169,536.43
Internet Users ('000)	25,688.65	30,000.00	35,019.18	40,480.08	45,744.81

(Source: <http://www.euromonitor.com/FactFile.aspx?country=RU>)

Figure 22 - Life style indicators in Russia 2006-2010

Appendix 1.6: Major confectionary brands in Russia

Russian traditional confectionary brands come from the regional factories. The market for the confectionary products in Russia splits into 3 groups. The traditional ones like Red October, Babajevskij have a very good quality, but weak image. They are associated with the communistic times. The new brands such as Krupskaja and Pekar had to face strong competition coming from abroad, but survived and now they are very well recognized. The most popular foreign brands are Nestle and Mars. These brands were known long before Krupskaja and Pekar and now have a strong position in the market (Benady, 2010).

Appendix 1.7: Location of the stores in Russia

It is more common for Russia to locate the small kiosks near the metro stations, as in Moscow, St. Petersburg or Ekaterenburg these places are usually very crowded. There are also flea markets that are situated near there, offering people low cost products. The customers of these places are people with low and medium income, who use the metro. Due to the fact that there is no metro in Karelia, the small kiosks are located near the bus and trolleybus stops.

Big food stores are usually located on the main streets or avenues, typically near the bus stations, where they can compete with a big number of kiosks. The kiosks usually attract young generation where they can buy the confectioneries and those who are looking for cigarettes and beers. The mega stores like Sigma, Lenta or Mega are situated in not highly populated areas, where there is space for the car parking. They are orientated on families, as people shop there for

food, clothes, stationeries and other products, which will last them for a longer time.

The confectionary products are soled in all mentioned above places, so people have access to them anywhere. The prestigious confectionary brands are soled online, supermarkets, mega markets, specialised stores or cafeterias, which are very popular in Russia.

Appendix 2.1: Finland Profile

Finland is a great example of a nation, which is situated on the border of East and West cultures. It combines high technological developments and the beauty of nature. (Papadopoulos, 2006) The country home of Santa Clause is situated on a coastal zone and maritime and a continental climate. This is a northern country with coldest winter temperatures around -20 C, and snow can cover the land for 4 to 5 months. (Seppala, 1997; Lahelma & Olofsson, 2009)

The consumption of sweetness products in Finland is has grown from the year 1990 – 1993. The economy of Finland was very much orientated on Soviet Union (Laaksonen, Laaksonen & Moller, 1997). After the Soviet Union collapsed, Finnish economy was more orientated on Europe and in 1995 it joined the European Union. After this the shelves on the Finnish shops became richer with confectionary products as they could be traded across countries without being obstructed by national regulations.

After all, it could be said, that Finland has the most stable economy (Fic & Ghate, 2004). Relying on this fact, it could be concluded that the most Finnish population gets established income. Due to this fact people always have money in the pocket to spend, and the consumption of snacks including sweet products is very common.

Appendix 2.2: Demography situation in Finland

The population of Finland is 5,250,250 people. The population pyramid is relevantly equal which is common for developed countries. It could be noticed that there are more people in Finland belong to the age group of 40-65. The birth rate is relevantly equal to the death rate, although the growth of population is very low. The big number of foreigners arriving to Finland from Russia and Estonia, Turkey and Somali are also taken into the consideration when measuring the population of Finland.

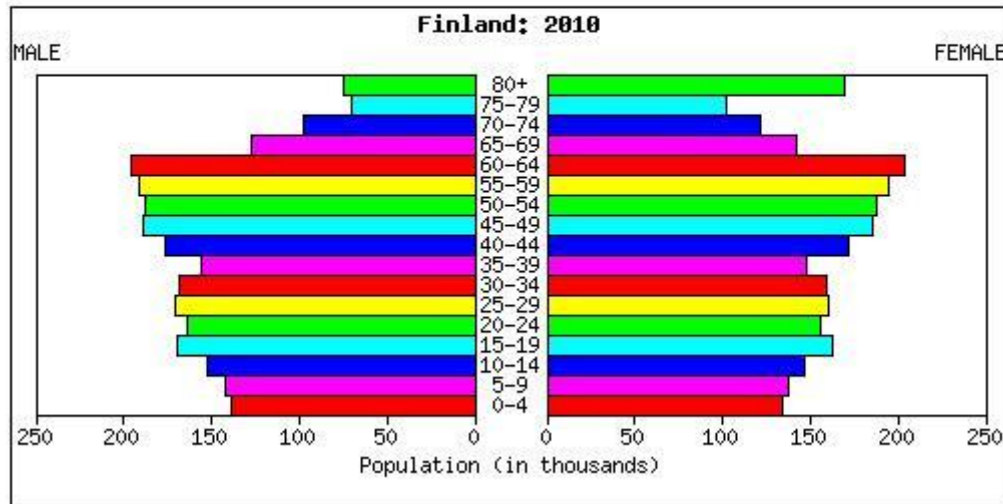
Year	Population	Rank	Percent Change	Date of Information
2003	5,190,785	110		July 2003 est.
2004	5,223,442	111	0.63 %	July 2005 est.
2005	5,223,442	111	0.00 %	July 2005 est.
2006	5,231,372	111	0.15 %	July 2006 est.
2007	5,238,460	112	0.14 %	July 2007 est.
2008	5,244,749	113	0.12 %	July 2008 est.
2009	5,250,275	113	0.11 %	July 2009 est.
2010	5,250,275	112	0.00 %	July 2009 est.

(Source: <http://www.indexmundi.com/finland/population.html>)

Figure 23 - Change in Finnish demography

Finland Population Pyramid for 2010

Age and sex distribution for the year 2010:



(Source: http://www.nationmaster.com/country/fi-finland/Age_distribution)

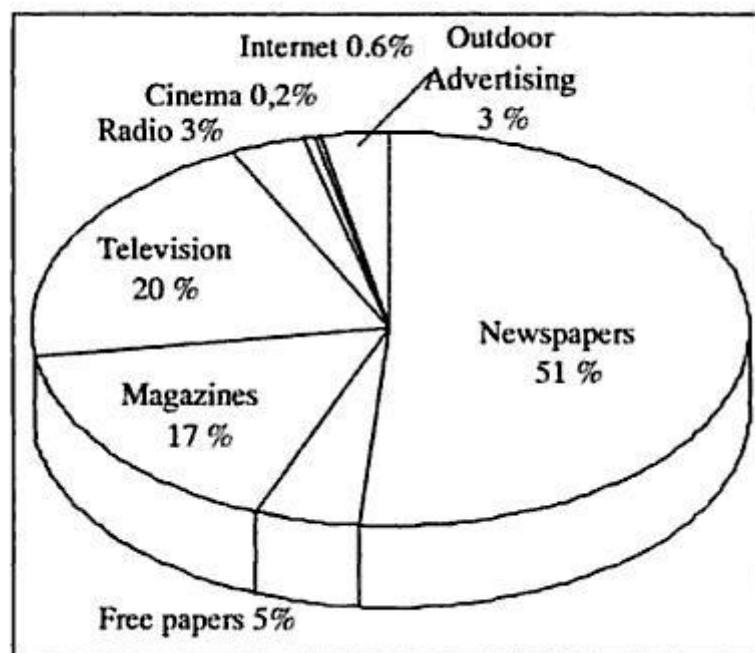
Figure 24 - The population pyramid of Finland in 2010

Appendix 2.3: Disposal income in Finland

Due to the stable economy the disposal income in Finland is medium (134,779.91 US \$ millions), comparing to other European countries, although it is very high comparing to the Eastern Europe countries. The unemployment rate in Finland is quite high due to the economic crisis. 8.50 % of Finnish population does not have jobs. However, it is also important to mention, that Finland has many immigrants coming from other countries, who do not speak Finnish language and fulfill this statistics (Euromonitor, 2009).

Moreover, the immigrants were provided with material benefits as well as all unemployed people who are registered in the unemployed office. On the other hand there are some obstacles, which may prevent to receive benefits such as entrepreneurship, full-time studies, military service or hospitalisation. The basic and labour market allowance are supplied by KELA. These benefits usually contain basic daily allowance and labour market subsidy. For those who were born in 1950 and who has a long - term unemployment can get the unemployment pensions (Public serves, 2008).

Appendix 2.4: **Advertising spending in Finland**



(Source: Kloss, I., 2000, p. 77)

Figure 25 - Advertising spending in Finland in 2000

Examples of advertisement, which include nakedness:

- (Koff, 2007) illustrates crude behaviour and nakedness of people.
- (McDonald's, 2008) is a good example of a commercial that shows nakedness of people.
- (SAAB, 2007) also shows that nudity is appropriate in Finnish commercials.

Appendix 2.5: Life style indicator in Finland

Lifestyle indicators					
	2006	2007	2008	2009	2010
Consumer Expenditure on Food (US\$ million)	11,634.30	13,281.33	14,819.50	13,725.16	13,731.11
Internet Users ('000)	4,051.59	4,168.75	4,356.56	4,509.30	4,629.98

(Source: <http://www.euromonitor.com/factfile.aspx?country=FI>)

Figure 26 - Life style indicators in Finland 2006-2010

Appendix 2.6: Major confectionary brands in Finland

The most recognized Finnish Family Corporation is Fazer. It includes world known brands as Dumle, Fazer or Geisha. That is why the Finnish markets are full with the quality product and recognized brand (Fazer, 20010). However, there is also a powerful competitor, which has a cost leadership strategy. Pirkka introduces different range of products including confectionary goods. It offers ice-creams, cakes, cookies, sweets and chocolates with a low price. Despite the

low quality, Pirkka is very successful in the Finnish market, due to its simple strategy and limited number of competitors (Pirkka, 2010).

Appendix 2.7: Location of the stores in Finland

Unlike Russia there are not so many food shops in Finland. The food shops are located in the shopping centers and near the metro stations or train stations. Sometimes it takes a long time to get to the one of them. These shops are orientated to almost every one who lives around. The mega markets are situated in less populated areas or out of the cities. There are also small numbers of kiosks, which are positioned in the most crowded places as bus, train or metro stations. These kiosks are very attractive for a quick purchase, as cigarettes, alcohol, snacks or magazines.

Appendix 3.1: English Profile

England is a country of history and culture. It is the most populated area in UK. Its area is 130,395 km² and has one of the largest economies in Western Europe (Stayinbritain, 2009). Wolverhampton is a city situated in the West Midlands of England with population of 250,000 people. Its history starts in 985AD when Lady Wulfruna was granted a land named Heantune by King Aethelred. It is a very multicultural city with many ethnic groups there, and it is easy to find Wolverhampton on the map, due to the fact that is located close to the second Biggest city in England – Birmingham (Wolverhamptonhistory, 2010).

Talking about UK, Ireland has the greatest consumption of confectionaries in the whole world, that fact makes UK one of the biggest confectionary markets for the retailers, which is influencing England, Wales and Scotland undoubtedly (Stiff, 2006). Another fundamental factor that influence confectionary consumption in UK is the fact that United Kingdom and United States have the first places in the watching TV statistic (Ntaionalmaster, 2009).

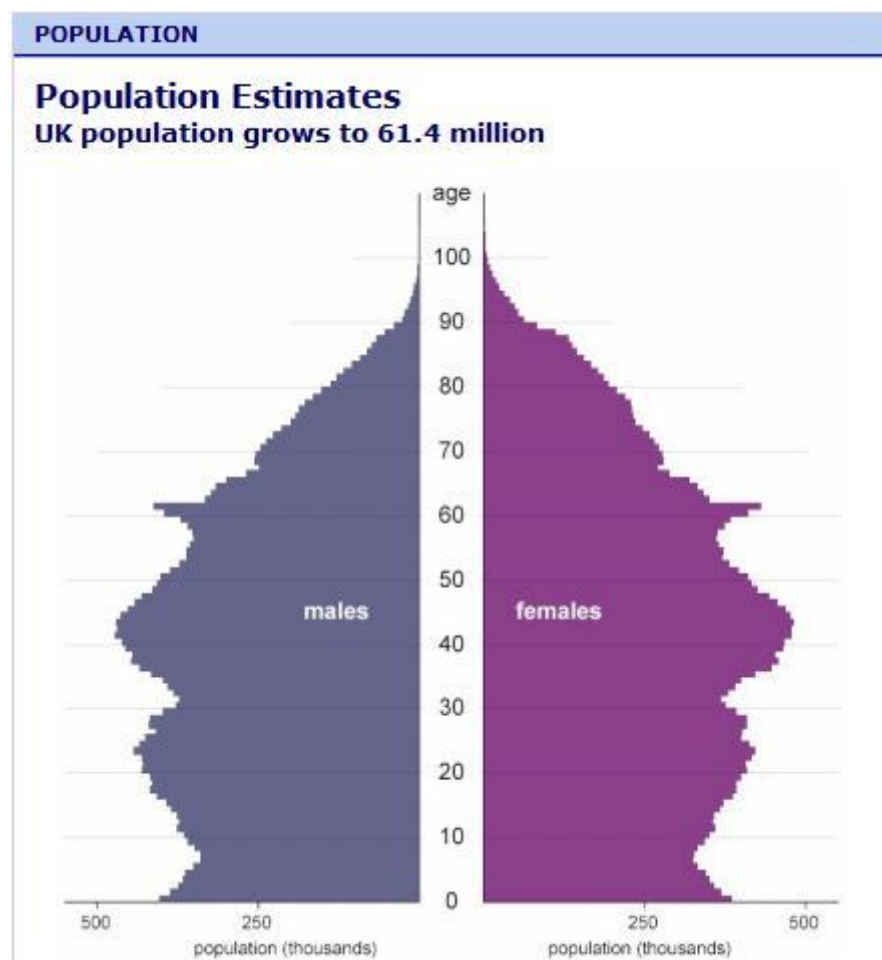
Appendix 3.2: Demography situation in UK

The population of England is the highest in the United Kingdom; it makes around 80 per cent of the whole number (www.woodlands-junior.kent.sch.uk). According to the UK population Pyramid, it is clearly seen that age groups from 10-30 and from 40-50, are the biggest ones in UK. Moreover, the birth rate is higher than the death rate, which is a true sign of stable population increase.

Administrative Division	Population (mid 2004)	Population (mid 2005)	Population (mid 2006)	Population (mid 2007)
England	50,093,800	50,431,700	50,762,900	51.1 million
Northern Ireland	1,710,300	1,724,400	1,741,600	1.8 million
Scotland	5,078,400	5,094,800	5,116,900	5.1 million
Wales	2,952,500	2,958,600	2,965,900	3.0 million
United Kingdom	59,834.900	60,209.500	60,587,600	60,975,000

(Source:
<http://www.woodlands-junior.kent.sch.uk/customs/questions/population.html>)

Figure 27 - Demography of UK 2004-2007



(Source: <http://www.statistics.gov.uk/cci/nugget.asp?ID=6>)

Figure 28 - Population pyramid of UK 2009

Appendix 3.3: Disposal income in UK

AVERAGE DISPOSABLE INCOME	
♦ Wales:	£13,073
♦ Northern Ireland:	£13,260
♦ Scotland:	£14,301
♦ England:	£15,090

The disposal income shows what amount of money there is to spend after paying all taxations. England has the highest amount of disposal income per year, and a big part of it comes from London. This number is medium, comparing to the other European countries, and in the year 2009, the

global crises has made the situation worse, as the national English currency was almost equal to the European EURO (<http://news.bbc.co.uk>).

Appendix 3.4: Life style indicators in UK

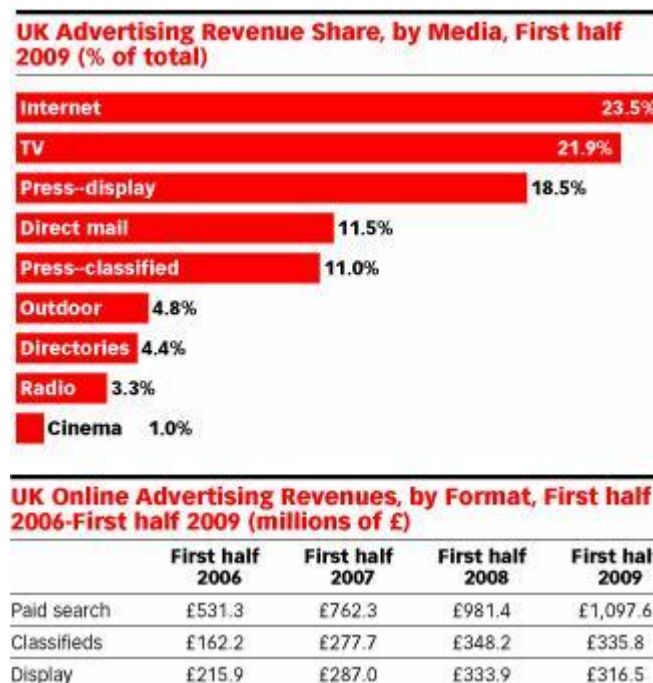
Lifestyle indicators

	2006	2007	2008	2009	2010
Consumer Expenditure on Food (US\$ million)	111,739.63	126,967.98	127,421.95	105,395.22	105,291.73
Internet Users ('000)	39,499.09	43,753.64	48,755.00	51,530.74	53,862.60

(Source: <http://www.euromonitor.com/factfile.aspx?country=GB>)

Figure 29 - Life style indicators in UK 2006-2010

Appendix 3.5: Advertising revenue in UK



(Source: <http://www.surefiresearch.com/news/online-advertising-spend-exceeds-tv/>)

Figure 30 - Advertising revenue in UK in 2009

There are examples of some UK commercials, which are performed by celebrities.

- This video (Spice girls, Tesco, 2007) illustrates how a popular female band shops in one of the biggest English supermarkets.
- (Spice girls, 2007) commercial advertises the body spray.

Appendix 3.6: Major confectionary brands in UK

The major confectionary brand in UK is Nestlé's KitKat brand, which is characterized as a female brand, due to the fact that it contains low fat. Cadbury's Dairy Milk and Kinder are also very popular in UK and could be found on a shelf of almost every shop. Wispa brand is well known and had high sales revenues, although in the year 2007 it became less in demand. Anyhow, due to the size of the market, there are more and more premium brands distributed in UK.

Appendix 3.7: Location of shops in England

The locations of the shops in UK are different than anywhere else. There are mega markets that are situated outside of the city as well as mega markets like ASDA, SEINSBERRY or TESCO, which are located in the most populated sections of cities. For example, they could be near student dormitories. Moreover, there are many local shops, and customers have a quick access to the product. In some ways they substitute the kiosks, which are usual, for Russian people, for instance.

Further more, there are many attractive cafeterias in UK as COSTA or Starbucks. These places are full with clients and offer their customers a big range of confectionary products like cakes and cookies (Researchandmarkets, 2009).

Appendix 4: Survey

Thank you very much for YOUR participation in this survey. Please provide true information in YOUR answer so that the research results will be veracious. The information you provide will not be used in any other purposes than this. This survey is orientated ONLY on people who consume confectionery products and who belong to Russian, Finnish and English nationalities.

PLEASE NOTE that if you miss a question, the system will automatically pick the last option from the offered answers of this question.

1. What confectionery products do you prefer?

1. Chocolate
2. Sweets and candies
3. Cookies and cakes
4. Ice-cream
5. Jelly
6. Chewing gum
7. Eastern Confectionery (For example: halvah, nuts-and-honey bar, Lokum)
8. Marzipan
9. Other

2. Are you more willing to try new confectionery product rather than stick to old ones?

1. I will stick to the product I have already tried
2. May be I will try a new one, sometime
3. I will try a new one, and if I like it, will buy it again
4. Never thought about it

3. How often do you buy confectionery products?

1. Every day
2. Every week
3. Time to time
4. Almost never

4. Which confectionery brands do you prefer?

1. Foreign brands
2. Mostly foreign (Spanish: Chocolates Valor, Chocovic, France: Valrhona, Chocolat Bonnat)
3. Domestic brands (England: Cadbury Schweppes, Divine Chocolate, Green & Black's, Finnish: Fazer)
4. Mostly domestic
5. It does not matter

5. If you see your 3 of your favourite confectionery products for the price of 2, will you buy it?

1. Of course
2. Maybe
3. Probably no
4. No

6. If you see that your favourite product became more expensive you will

1. Buy it anyway
2. Buy it but next time I will go to another place
3. Probably not
4. I will not buy it
5. I will buy another confectionery product

7. Would pay more for a prestigious confectionery brand (For example: Lindt from Switzerland or Guylian from Belgium)?

1. Yes
2. May be
3. Probably no
4. No

8. If you see your favourite confectionery product with low price you will

1. Buy as much as I can
2. Buy a little bit more
3. Buy the same amount
4. Will not buy it, as the price is suspicious

9. Where do you usually buy your favourite confectionery products?

1. Local shop
2. Kiosk or tuck shop
3. Supermarket
4. Special store
5. Online
6. Coffee shop or buffets
7. Other

10. If there is none of your favourite confectionery product in the usual place, you will

1. Go to another place
2. Come back some other time
3. Buy different confectionery product
4. Not buy anything, next time I will go to another place
5. Other

11. *Where will you not buy your favourite confectionery product?*

1. Local shop
2. Kiosk
3. Supermarket
4. Special store
5. Online
6. Buffets or coffee shops
7. Other

12. *Do you order confectionery products online?*

1. Never tried it
2. Almost never
3. Sometimes
4. Usually
5. I always do

13. *Do you participate in sampling of confectionery products?*

1. Yes, because it is free
2. Yes, because I have a chance to try a new product
3. Sometimes I do, sometimes I do not
4. I do not
5. Other

14. Where do you usually find out about new confectionery products from?

1. TV
2. Internet
3. Radio
4. Endorsements
5. Newspapers and magazines
6. Direct mail
7. Brochures and catalogues
8. In-store displays
9. Posters
10. Sales people
11. Product samples
12. Other

15. If you see an advertisement of a confectionery product that you find annoying, you will

1. Still try it
2. Maybe try it
3. Probably will not try it
4. Will never try it
5. I do not know

16. If you see an advertisement of a confectionery product that you find enjoyable, you will

1. Try it
2. Maybe try it
3. Probably will not try it
4. I do not know

Your nationality

1. Russian
2. Finnish
3. English

You belong to which age group

1. 15-18
2. 19-25
3. 26-35
4. 36-45
5. 46-55
6. 56-65
7. Older than that
8. Younger than that

Thank YOU very much for filling this survey.